Daily Report

East Europe

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FBIS-EEU-95-054 *21 March 1995*

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Romanian-Hungarian Prime Ministers Sign Statement

AU2003125495 Bucharest Radio Romania Network in Romanian 1100 GMT 20 Mar 95

[Correspondent Mircea Rucareanu dispatch from Paris]

[FBIS Translated Text] For us Romanians, the most important event that took place about five minutes before the opening of the conference on stability in Europe was the signing of a joint statement by Romanian Prime Minister Nicolae Vacaroiu and Hungarian Prime Minister Gyula Horn.

We notice that, in accordance with the spirit of the conference regarding the Pact on Stability in Europe, we were able to complete the negotiations almost in time before establishing a basic accord of historic importance between the Republic of Hungary and Romania. We solemnly affirm before the Paris Conference our firm intention to continue these negotiations in order to reach the signing and, later, the ratification of the accord. With this goal, we promise to personally follow the unfolding of negotiations. We certainly also promise to include these accords in the Pact on Stability in Europe. We express our belief that this accord can contribute to the progress and development of our relations, which must accompany the integration of the two countries in the European Union and other Euro-Atlantic institutions.

The bilateral treaty will be based on European norms, including those referring to human rights and the rights of people who belong to national minorities, by taking into account the Hungarian and Romanian judicial order.

We have decided that the negotiations should resume in April. We accept the inclusion of this declaration in the Pact on Stability.

This was the declaration of the two prime ministers, Nicolae Vacaroiu and Gyula Horn.

At 2200 hours, in the presence of 52 foreign ministers and the three prime ministers who had been especially invited to the conference—namely, the prime ministers of Romania, Slovakia, and Hungary—French Prime Minister Edouard Balladur opened the conference for stability in Europe.

About 50 minutes ago, Prime Ministerr Nicolae Vacaroiu made a speech of about five minutes, in which he basically affirmed Romania's firm engagement to establish relations of good-neighborliness with Hungary and our contribution to the achievement of the process of stability in Europe.

Before the opening of the conference proceedings, the Romanian delegation's official visit to Paris began with the meeting of the head of the Romanian delegation, Nicolae Vacaroiu, with French Prime Minister Edouard Balladur. It was a brief meeting but one that represented the beginning of dialogue, which will go on until Wednesday, 22 March.

Today, a number of meetings are scheduled with other French political figures, among them one of the candidates for the French presidency, Lionel Jospin.

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Trade Unions Call On Government To Resign

AU2103122195 Tirana ZERI I POPULLIT in Albanian 10 Mar p 2

[Interview with Mr. Kastriot Muco, chairman of the Confederation of Trade Unions of Albania, by Sadri Rrahmani; place and date not given: "Strong Reaction to the Difficult Socioeconomic Situation in the Country"]

[FBIS Translated Text] [Rrahmani] In a well-known statement at its latest meeting, your National Council called on the Meksi Government to resign. Would you please explain what was the reason for this demand?

[Muco] Albanian socioeconomic reality itself prompted us to raise this issue. Mass unemployment, unlawful privatization and the plundering of the people's wealth, daily price increases, uncertainty about the future, and discrimination against the trade unions [passage indistinct] but propaganda is one thing whereas reality is quite another. There is no doubt that nihilism is a negative thing. However, demagogy and attempts to persuade people that everything is all right are worse. There are more than 300,000 unemployed, there are half a million pensioners and tens of thousands of working people in the health and education sector whose income is almost below the poverty level. This fact is undeniable and acknowledged by top government officials.

[Rrahmani] Was this decision caused by pressure from rank and file members of the Confederation, or is it just a decision taken by the Confederation's National Council?

[Muco] Of course this decision was not just taken by the National Council at random, but is an expression of the insistent demand of trade unionists all over the country, employed and unemployed, teachers and doctors, pensioners and intellectuals, who, as I have already said, number 1 million. This figure needs no comment. The ruling elite perhaps knows—though they refuse to admit it—that in many districts of the country, there are hundreds of families that buy their bread on credit, as they cannot afford to pay for it. The reality is such that, during 1994 alone, 40 percent of the small traders went bankrupt. The private farmers in Lushnje (Albania's agricultural granary), for example, sell their produce at ridiculous prices, while the state's protective role for them is almost nonexistent.

More often than not we have been accused of a thousand and one wrongdoings. However, it is not our fault that, as the top state dignitaries themselves admit, before rejecting the constitution (which they could not get [words indistinct] democratic way) the people opposed the way in which the country is being governed. The objections of the Albanian official media and the journalistic manipulations, which resort even to vulgar accusations, describing the majority of the people as antinational, have the mark of Albanian originality, and they are very queer to every individual with common democratic sense. How could one say that we have a state whose power belongs to the people when the people are not consulted about even their most vital problems. As has been confirmed by high-ranking officials, only during 1994, [words indistinct] meeting of 30 January 1995, we, as a confederation, demanded and will strongly demand that this great social injustice be redressed, by monitoring all the privatization actions and reporting to the people about them with complete openness. How could one not suspect injustice, when after a year all the documents on property transactions might be burned, while the old owners are asking for and have already received their property thanks to documents of the Transimat [Ottoman reform in the last century] and Zog's period 70-80 years ago? No matter how benevolent one might be toward this government, this fact imposes opposite feelings.

[Rrahmani] Public opinion has welcomed this step of your Trade Union struggle, but there are at the same time people who describe it as a belated initiative. What do you think about that?

[Muco] I have only mentioned some of the intractable problems Albanian society is facing today. On the surface, our tough reaction might seem belated, but I would strongly emphasize that this is the climax resulting from an extensive and prolonged process of expressing our public opposition to this country's government through public rallies. I would like to stress here the fact that our trade union organization was the first to react to the way our country was governed, since the end of August 1992 in Scanderbeg Square in Tirana, and in many other parts of the country too. I remind you of the mass rally in Fier on February 1993, where the police used rubber truncheons, or the strike of the working people of Polican, where the state did not hesitate to resort to force and violence. Many other trade union activities, such as the strike in the education and health sector, the [words indistinct] in Skhoder in 1994 were both initiatives taken by our trade union organization. Of course, when patience runs thin, the reaction becomes stronger. It should not be forgotten that there are more than 30 political parties and over 20 trade union organizations in Albania, and confusion prevails in the minds of the people. Unfortunately, even today there are many people, employed or unemployed, intellectuals and pensioners, who are disillusioned by reality and have no faith in the government, political parties, or trade union organizations, and they just stand aside. In order to survive, they prefer to find their own solutions, doing even ordinary jobs or emigrating to earn their families' daily bread. From the trade union point of view, these are partial, not the best or stable, solutions. I would therefore like to appeal to all working people to join the trade unions because, with their united strength, the trade unions will be a powerful opponent of bureaucracy, corruption, incompetence, and nepotism, and thus become a genuine advocate of democracy.

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[Rrahmani] Is any new escalation of the trade union struggle anticipated, and, apart from your Trade Union Confederation, will you be looking for support from other organizations?

[Muco] We will continue our struggle through democratic means, resorting perhaps even to hunger strikes in accordance with the law, in the conviction that, in this way we, will not cause any instability or become destructive but just serve democracy. We therefore ask the independent media to support us in our lawful initiatives directed against corruption, injustice, theft and all unpopular and undemocratic decisions. In accordance with our statute, in every district of the country, especially where the above-mentioned phenomena are more frequent, we will boost our trade union activities in defense of the social and economic interests of the working people. We are looking forward to having the support of all progressive forces, and the commitment of all political parties inside and outside parliament and of associations and organizations that are feeling the burden of the social, economic, and political crisis that has gripped our country. We need optimistic tones more than ever, but in the face of grim reality they lose their weight. Current philosophizi..g about the alleged economic well-being of the Albanians must now be replaced by practical steps to deal with our people's great concerns. Our state must undertake its proper role in the new conditions of the market economy. If official propaganda and its apologists were closer to reality, they would not serve us up rosy scenarios but would genuinely help us [words indistinct] our country's prosperity, its social peace, and democracy.

Announce Strikes, Give Warnings

AU2103124395 Tirana GAZETA SHQIPTARE in Albanian 11 Mar 95 p 1

[Article by "An.Ste.": "Trade Unions Announce a High Tide of Strikes"]

[FBIS Translated Text] Tirana—The first signs of a high tide in the trade union movement are looming on the horizon. The Berat textile workers appear to be starting the coming week with a hunger strike. Having gone on several short strikes, and held negotiations with government representatives, 1,200 still-dissatisfied trade union members have decided to step up their economic protest through hunger strikes, supported by many branches of the BSPSH (Union of Albanian Independent Trade Unions] in various towns all over the country. In the same few days, for the same reasons, the Albanian Telecom workers issued a strike warning, and in the meantime [words indistinct] trade union organization has sent a petition to relevant international organizations, informing them about the grim economic reality the trade union movement is facing in Albania. The textile workers' decision to go on strike next Monday, was made after the failure of a group of their representatives [words indistinct] to meet government representatives in Tirana, with whom they were to discuss their economic demands. According to the leaders of this trade union organization, "these demands have hitherto fallen on deaf ears." So, there is only one amendment to the decision on the hunger strike reached a few days earlier: It will not take place at the workplace but in the "Tekstilisti" Movie Theater, and will not be attended by all 1,200 workers but by a number of men and women elected from among them. It is reported that the strikers have already informed the police about their coming strike.

Next Monday will also be the day for the Telecom workers to decide. Their representatives will contact the management of their enterprise, and any unsatisfactory response by the administration regarding their demand for pay increases, improved working conditions, and defining just privatization procedures could ignite the "fury" of the strike [words indistinct]. In the meantime, another trade union organization, that of the railroads, has sent a petition to various relevant international bodies, European trade unions and diplomatic representations accredited to Albania, in which they protest against the great economic difficulties their workers are facing and the obstacles with which the trade union movement is confronted in Albania.

Failure To Hold Communists Accountable Noted

AU2103110695 Tirana LIRIA in Albanian 8 Mar 95 p 2

[Unattributed commentary: "Now the Democratic Party Needs 'National Reconciliation'"]

[FBIS Translated Text] Now that our national wealth has been divided up and the communists have taken the lion's share; now that "democracy" has accepted the criminals as fellow sufferers; now that Ramiz Alia and Fatos Nano are leading the political parties from the cells of their "jail" and the Enverists have covered Albania with red newspapers; now that legitimate owners have remained beggars forever while good-for-nothing thieves have became millionaires and are getting ready to take over power; now that the referendum has shown how many good things neocommunism has done for yesterday's privileged ones; precisely now that stupefying corruption and precarious poverty have forced Albanian girls to sell their honor to Greek and Italian bosses; precisely now when the communists are openly laughing at their victims and when diplomas have been substituted for class criteria in (?differentiating the people), and neocommunism needs general peace more than ever, there is open approval of the greatest injustice that only a democracy just growing out of the diapers of a dictatorship as cruel as was Enverism in Albania could realize.

Now the spirit of tolerance in the name of fraternity must be raised higher and higher. Now, we must all accept the unjust division of the national wealth and the plunder of property by the communist "reforms" of "democracy," giving it to those who were privileged

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yesterday. Now we must all admit that the communists are capable and very good at everything and deserve to rule us because they killed and abused us just for our own good! Now, for the sake of "democracy," we must accept having the cat sleep with the mice. Now the still-scorned victim must reconcile himself with the murderer, the unrepentant communist. "Democracy" has already achieved its objective: allow the victims of communism to have a grave of their own and take the decorations and titles away from the hangmen who have perpetrated genocide against a completely innocent nation!

"National reconciliation" would today cover very nicely all the plunder committed in the name of social progress. "National reconciliation" would justify in the "humane" sense the failure to punish the monstrous Communist crime, and precisely this was the primary task of neocommunism. "National reconciliation" would put a golden cover on all the filthiness of this transition period!

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Purpose of Minister's Moscow Visit Explained

AU2003145595 Sofia BULGARSKA ARMIYA in Bulgarian 13 Mar 95 p 1

[Commentary by Colonel Vladi Vladkov: "Grachev, Pavlov Talked as Military Experts"]

[FBIS Translated Text] When a visit on which many hopes have been pinned ends—such as Defense Minister Dimitur Pavlov's visit to Moscow with a delegation of experts [9-11 March]—one immediately asks about the results that have been achieved.

As far as documents that have been signed are concerned, the results are evident. The ministers of defense of Bulgaria and Russia signed plans for military and military-technical cooperation in 1995. However, this was hardly the most important aspect of the visit, especially as such documents have been signed with many other countries. Furthermore, the minister would hardly have gone to Moscow together with the head of the military-industrial bloc, the deputy chief of the General Staff for issues of material-technical and rear supply, and the commander of the Navy merely in order to sign the documents.

It is obvious that the composition of the delegation was prompted by the situation with the spare parts and the repair of arms and equipment in the Bulgarian Army. Therefore, the agreement in principle to help us in this sphere, expressed by Army General Pavel Grachev during the talks at the Russian Ministry of Defense, is much more important. During those talks Gen. Grachev said: "We shall do what is necessary so that you can receive the spare parts you need." What he meant was paying 50 percent of the Russian debt to Bulgaria, which amounts to about $100 million, by supplying spare parts and repairing weapons and equipment. There is a readiness to begin the supplying immediately after the meeting of the two countries' prime ministers at the end of March in Sofia.

It is natural at such a meeting to review European security and assess the situation in certain sensitive regions such as the Balkans. However, both ministers approached the analysis of the events as military experts. They did not try to make a political assessment of the situation in the continent's hotbeds, or the state of Bulgarian-Russian relations. Any other interpretations of the outcome of the visit, even on the part of National Assembly members, are nothing but insinuations.

Privatization Agency Board Elects New Chairman

AU1703192795 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 17 Mar 95

[Report by Kalina Stancheva]

[FBIS Translated Text] At a plenary meeting today, the 11-member Supervisory Board of the Privatization Agency unanimously elected Docent Dimitur Stefanov as their chairman. Stefanov has written numerous scientific works in the labor sphere and for a short period served as chief of the Center for Mass Privatization under the Council of Ministers.

For the first time in the four years of the reform, political will has consolidated around a single political force, and this will be reflected in the interrelations between the institutions with the capability to achieve higher goals in privatization, the new chairman of the Supervisory Board said following his election.

The last item on the agenda of today's extraordinary board meeting is the election of a new executive director for the Privatization Agency, following completion of the procedures for relieving the previous executive director, Reneta Indzhova, and Bozhidar Kabadzhiev, who served as acting executive director after Indzhova took official leave.

Zhelev, Sendov View Foreign Policy Coordination

AU2003212295 Sofia Khorizont Radio Network in Bulgarian 1700 GMT 20 Mar 95

[FBIS Translated Text] President Zhelyu Zhelev met with National Assembly Chairman Blagovest Sendov today. During the approximately one-hour meeting, they discussed the coordination of foreign policy actions among the presidency, the government, and the National Assembly. The meeting took place at the request of Blagovest Sendov, who at the end of the meeting refused to impart any information about the talk.

Asked by our correspondent whether they discussed the two bills that the president returned to the 37th National Assembly, Mr. Sendov replied that the issue was not discussed and that he, as National Assembly chairman, is not concerned with this matter.

White Book Blames Prior Leaders for Problems

AU2103101495 Sofia Khorizont Radio Network in Bulgarian 0500 GMT 21 Mar 95

[FBIS Translated Text] A few minutes ago the Bulgarian Telegraph Agency began disseminating the White Book prepared by the Council of Ministers on the state of the country at the start of the term of the 37th National Assembly.

According to the introductory section of the document, the aim that the cabinet set itself is to make an objective analysis of the situation, to establish the state of affairs when it assumed government, without concealing the truth but also without making exaggerated assessments.

After confirming that Bulgaria has taken a worthy place among the countries undergoing transition, the authors of the White Book stress that our country is experiencing the difficulties characteristic of this period—perhaps even greater ones—five years after the start of the changes, in which the foundations of a modern democracy were not laid in a civilized way. The real reasons for

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the immense difficulties—the introduction continues—are rooted in the disastrous strategy imposed in the 1991-92 period of adopting changes that, in the view of the Council of Ministers, are based on a repressive and revanchist policy of restoring the past that was implemented in parliament, the government, the presidency, the local authorities, the judicial system, and the national media.

The responsibility for this grave situation—it is stated in the first pages of the White Book—is borne by those political forces and political figures that from the very beginning of the changes, and especially last year, raised as their banner egoism, irresponsibility, and opportunism.

BTA continues to disseminate the rest of the document.

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Germany's Ruehe on Czechs' Place in NATO, EU

LD2103121695 Berlin DDP/ADN in German 1039 GMT 21 Mar 95

[Embargoed by DDP/ADN until 1200 GMT on 21 March]

[FBIS Translated Text] Prague (DDP/ADN)—German Defense Minister Volker Ruehe has stressed Germany's interest in securing the Czech Republic's "legitimate place" in NATO and the European Union [EU]. During lunch with his Czech counterpart, Vilem Holan, in Prague today, Ruehe said he feels "morally and politically committed to clearing the way into Europe for the Czechs."

At the same time, the defense minister made it clear that admitting new members to the EU and opening up NATO to the East is not about an "expansion strategy" or about "winners or losers in the struggle for spheres of influence." The objective, Ruehe said, is "to answer to the free will of free peoples" and to "reverse the unnatural division of Europe." Even in Moscow people are beginning to recognize that a Europe of freedom, market economy, and stability does not threaten anybody, the minister added.

Reaction to Havel's 14 Mar Parliament Speech

AU2103082095 Prague RUDE PRAVO in Czech 15 Mar 95 p 2

[Report by an unidentified RUDE PRAVO correspondent: "Klaus Is Allegedly Annoyed by Havel's Jabbing at the ODS"]

[FBIS Translated Text] While the opposition expressed its appreciation of the president's 14 March speech, a part of the coalition, the Civic Democratic Party [ODS], in particular, is ill-humored. Prime Minister Vaclav Klaus refused to reply to the RUDE PRAVO question: "I will not comment." Nevertheless, upon receiving the text of the speech in the Cabinet, Klaus allegedly stated that each sentence is aimed against the ODS.

ODS Executive Deputy Chairman Libor Novak conveyed the "impression of a certain disharmony between the president and the government." "It surprises me even more inasmuch as the president was elected mostly by the present government coalition and is part of the executive power," he added.

Chamber Chairman Milan Uhde (ODS) does not wish to publish his opinion on the president's address. As he phrased it, he claims "the right not to say anything because one does not have to comment on everything one hears." Interior Minister Jan Ruml (ODS) told the CTK that he cannot identify with some ideas in the president's speech—for example, his opinion on the ombudsman or the profession chambers. The speech was a "certain outlook for the future and did not lack the characteristic of a vision but was somewhat skeptical," Ruml stated.

Josef Lux, chairman of the Christian Democratic Union-Czechoslovak People's Party [KDU-CSL], is very satisfied with the "keynote speech" that he described as truthful. Christian Democratic Party Head Ivan Pilip considers it important that the address opened some topics.

"Of course, we are still going to study the speech in detail. Nonetheless, the first impression is very favorable," Milos Zeman, chairman of the Czech Social Democratic Party [CSSD], told RUDE PRAVO.

According to a statement for RUDE PRAVO by Miroslav Grebenicek, chairman of the Communist Party of Bohemia and Moravia [KSCM], Havel's critical analysis contained several partial stances with which the KSCM could agree—the reinforcement of self-administration, for instance, redrafting the health-care reform, and respect for human rights. As Grebenicek told the CTK, "the president has overlooked the fact that the executed transformation led only to the property ownership reversal and to a decline in the living standard of the majority of the population."

According to Jaroslav Ortman, chairman of the party and the deputies' faction of the left bloc, the views of his party on education, for instance, health care, culture, and housing policy are similar to those of the president.

The Free Democrats (SD) are pleased that the president emphasized the ideas of the greatest possible self-administration, which correspond to the principles of the SD program, SD Chairman Jiri Dienstbier said in his statement for RUDE PRAVO.

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MOS Chairman: Clinton Letter 'Stern Warning'

AU2003133695 Bratislava PRAVDA in Slovak 17 Mar 95 p 2

[TASR report: "Hungarian Civic Party: Not Praise but a Warning"]

[FBIS Translated Text] Bratislava—The letter from the U.S. President to the Slovak prime minister cannot be regarded as praise, Hungarian Civic Party [MOS] Chairman Laszlo Nagy said. Quite the contrary, it is a diplomatically formulated "stern warning and exertion of pressure on Prime Minister Meciar." In the letter Bill Clinton stressed only matters that he considers jeopardized in Slovakia—freedom of the press, democracy, political freedom, privatization, and observance of human and minority rights, Nagy said. Speaking about his meeting on 14 March with E. Sutter, a representative of the U.S. Embassy in Slovakia, he said: "We made no secret of the fact that elements of criminalization [kriminalizacne prvky] have started to prevail of late in government policy."

President Hails Treaty With Hungary

LD2003211595 Bratislava STV 1 Television Network in Slovak 1830 GMT 20 Mar 95

[Interview with Slovak President Michal Kovac by an unidentified announcer on 20 March; place not given—recorded]

[FBIS Translated Text] [Announcer] Mr. President, French Prime Minister Balladur's statement made it clear that the signing of the treaty between the two republics is of great significance not only for Slovakia and Hungary.

[Kovac] I am convinced that the treaty is a significant historic document, the significance of which is not restricted to the relations between the Slovak Republic and the Hungarian Republic because this document significantly contributes toward stability not only in the Central European region but also in Europe in general. I think the treaty is important above all as regards our mutual relations. I would like to speak in greater detail about this.

This treaty really concludes one of the phases of relations between the Slovaks and the Hungarians in general, and between the Slovak Republic and the Hungarian Republic specifically. It opens a new phase, the phase of friendly neighborly cooperation. In my view, this will also have great significance for life in our country. I think that the space for fomenting various nationalist passions will be reduced and that better conditions for the integration of our Hungarian fellow citizens into Slovak society will be created.

The treaty includes clauses that oblige both governments to work for the development of cooperation across the border not only on the level of towns and villages but also on the level of regions.

As regards the international impact, I think we have managed to acquire a good identity card, a good certificate for approaching the European Union as well as for a possible joining of NATO. This was in fact also confirmed by French Prime Minister Balladur. I think we will also hear such confirmations from other important officials from European Union member states.

Even before this we noticed that both the United States and West European states were very much interested in having this treaty signed in time for the Stability Pact Conference. This was what happened, and I think that both Slovakia and Hungary exceeded the expectations of many. Let us admit to ourselves that some expected that it would be impossible to agree on the treaty in such a short time—by 21 March. We have shown that, provided there is political goodwill on both sides, it is really possible to achieve even miracles.

I would like to assure our citizens that this treaty is not damaging to the interests of Slovakia and the Slovaks, as has already been possible to hear from some quarters.

I think that this treaty is well balanced. Every treaty of this kind really requires certain compromises, and this one also required some compromises, but these compromises are not damaging to our national interests.

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Opposition Parties Criticize Treaty With Slovakia

LD2003165995 Budapest Kossuth Radio Network in Hungarian 1500 GMT 20 Mar 95

[FBIS Translated Text] Our correspondent Andras Kerekes reports on the parliamentary session, which started less than an hour ago.

[Kerekes] The main topic of the debate was the Hungarian-Slovak basic treaty. According to the government, this treaty, is a turning point in relations between the two countries, a treaty which can be undertaken. It had to be signed, first and foremost because it creates an opportunity for progress in minority matters.

Istvan Szent-Ivanyi, political state secretary at the Ministry of Foreign Affairs stressed: This is the first agreement that turns Slovakia's international political undertakings into legal obligations that can be enforced by courts.

Representatives of the opposition parties do not agree with the signing of the treaty. They referred to the fact that the ink had not even dried on the treaty when Slovak Prime Minister Meciar said that, in his interpretation, Council of Europe Recommendation 1201 does not include the recognition of autonomy.

Istvan Szent-Ivanyi said: Recommendation 1201 does allow the functioning of autonomous organizations—this is how we interpret the treaty.

The opposition also objected to the fact that in his TV interview, Prime Minister Gyula Horn also stressed that political and territorial autonomy are indeed out of the question. This fact also proves that by concluding the basic treaty, the government has subordinated the national interest to its own purposes.

Horn on Slovak Treaty, Central European Issues

LD2003201895 Budapest Kossuth Radio Network in Hungarian 1730 GMT 20 Mar 95

[FBIS Translated Excerpt] The opposition has sharply criticized in parliament the Hungarian-Slovak treaty that was signed yesterday. The Slovak foreign minister said at his press briefing today that there was not one word in the document on the possibility of creating autonomous minority self-administrations. [passage omitted]

Prime Minister Gyula Horn gave a speech at the Stability Pact conference in Paris. His speech follows the report from Paris by Miklos Lengyel.

[Lengyel] [Passage omitted] Romanian Prime Minister Vacaroiu was the first foreign prime minister to speak at the conference. Speaking in a relatively conciliatory manner, he said that the past of the two peoples, the Romanian and the Hungarian, has been a shared one, and he said that their future, too, will have to be shared. Then Gyula Horn was granted leave to speak.

[begin Horn recording] [Passage omitted] There is little doubt that the states and peoples of central Europe are going through very trying times; it is the weighty challenges of the economic and social transformation that represent the basic problem. There are still no precise and credible answers to the questions this problem poses. However, it is a fact that the challenges of the economic and social situation represent many elements of uncertainty.

We also see in this region that extreme nationalist forces have become active. They may base their activity on, among other issues, decades-old conflicts and unresolved questions. The consequences of the previous Great Power diktats may also play a part in their activity.

Relations in central Europe cannot be treated separately from the issue of the situation of the many millions of members of national minorities. The prevalence or infringement of their rights influences the stability of the region in a fundamental way. Hungary is convinced that it is first of all the states and governments themselves that must act to stabilize their own country, and by doing so stabilize the whole region.

Central Europe is suffering from lack of resources. Finding further resources is per[illegible] one of the most important conditions for the est[illegible]ment and consolidation of our stability.

It has also been proved over the past few years and decades that disputes, problems, and tensions between the countries of the region can only be handled and resolved in a European manner. The Hungarian-Slovak basic treaty settles bilateral matters, and lays down principles in a bilateral treaty for the first time in a way that meets European standards, European requirements. The content of this basic treaty demonstrates that disputes between us can indeed be settled in a peaceful way in a European spirit—at least we have managed to come to an agreement with Slovakia on the point that the relevant documents of the United Nations, the OSCE, and the Council of Europe can and should be applied in the assertion of minority rights.

Every international document is worth as much as is implemented from it. We are not interpreting the international documents; we are not looking for excuses to avoid their implementation. Precisely the contrary: Our aim is to implement what we have undertaken and to monitor the implementation of the treaty.

I am convinced that Europe, and particularly the peoples of central and east Europe, are not interested in the mere concluding or signing of a treaty. The peoples of Europe, central Europe—who have suffered a lot—expect settled and normalized relations and developing cooperation from the treaty. I am convinced that we legitimate governments will be examined on the realization of these endeavors. [end recording] [passage omitted]

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Horn on Need for Continued Western Support

LD2003160295 Budapest Kossuth Radio Network in Hungarian 1500 GMT 20 Mar 95

[FBIS Translated Excerpt] Our correspondent Miklos Lengyel reports on the European Stability Conference from the UNESCO Palace in Paris.

[Lengyel] Before the beginning of the conference, the Hungarian and Romanian prime ministers [Gyula Horn and Nicolae Vacaroiu] adopted a joint statement, which lays down that they consider the conclusion of the basic treaty their important aim in the future. French Prime Minister Edouard Balladur was also present at the event. [passage omitted]

It is typical that Slovakia is already disputing Budapest's interpretation of the Hungarian-Slovak basic treaty. Reacting to this, Horn said in his Paris speech: What Hungary wants is not to interpret but to implement the basic treaty. However, the Hungarian prime minister was quick to add that every agreement is worth as much as is being implemented from it.

[Begin Horn recording] The internal stability of Central Europe and bilateral relations between its states depends to a large extent on further support from the West. I am convinced that this support is in the interest not only of our region but of the West as well, because without it, unstable regions will develop within Europe.

In view of all this, we urge accession to the EU and NATO, the extension of these organizations.

The European Stability Conference and the pact concluded here prove that this fact has been realized, and we have embarked upon this path. I wish to all of you that this joint path leads to success. [end recording]

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Poland Not Released From Korean Peace Mission

LD2003162295 Warsaw PAP in Polish 1551 GMT 20 Mar 95

[FBIS Translated Text] Warsaw, 20 Mar—The Ministry of Foreign Affairs points out that Poland has not been released from its peacemaking mission in North Korea. "We have been forced to leave the place where we were fulfilling our mandate, but we have not been released; neither do we feel free from having to fulfill the mandate," Jerzy Pomianowski, director of the ministry's Department for Africa, Asia, Australia, and Oceania, said on 20 March.

In his opinion, the absence of Polish officers in North Korea constitutes an enormous difficulty, "but the fact of remaining in the neutral nations' supervisory commission is inviolable."

Major General Krzysztof Owczarek, the head of the Polish mission, who returned to Poland together with other Polish officers on 17 March, was also present at the news conference on Monday.

Walesa Assails Government's Lack of Action

LD2003164595 Warsaw Polskie Radio First Program Network in Polish 1500 GMT 20 Mar 95

[FBIS Translated Text] President Lech Walesa has said that so far Jozef Oleksy's government has done nothing to resolve the fundamental problems of the state. Lech Walesa said in an interview granted for some commercial radio stations today that he will give the prime minister a month or two to solve the country's problems. Afterwards, he will look for his own solutions.

[begin Walesa recording] Today and this week I have been watching what is being done. For the time being, I must state with regret that nothing has been done. I thought that something would be set in motion faster. Well, we have the [police] commander. Yes, this has been done, the commander has been appointed, and there will be an ambassador. But many other things—there is no order in the ministries, no organizational order. [end recording]

Oleksy 'Astounded' at Criticism

LD2103114895 Warsaw TVP Television First Program Network in Polish 1100 GMT 21 Mar 95

[Relayed by Warsaw TV Polonia Network]

[FBIS Translated Text] In a radio interview, Prime Minister Jozef Oleksy expressed amazement at the president's statement yesterday that the government has been doing nothing. The president added that he would give the prime minister a month or two to solve Poland's most urgent problems.

[Begin Oleksy recording] I cannot imagine that such games can take place, that the government, which has only just started, is being presented with an ultimatum and told that it has a month. What is this? A game about Poland, a game with Poland, with Polish affairs? I treat Poland and its problems far too seriously to say that basic issues can be solved within two weeks. This is what the president said, while giving a negative assessment of my government's work. I am astounded, although, as a matter of fact, I should not be astounded. This is not the first time Lech Walesa has approached the hard and serious problems of Poland in such a manner. I have begun to solve these problems after a political crisis for which I am not to blame. [end recording]

German Chancellor Kohl To Visit in Jun

LD2003193095 Warsaw Polskie Radio First Program Network in Polish 1800 GMT 20 Mar 95

[FBIS Translated Text] A representative of the German Chancellery has said that Chancellor Helmut Kohl will visit Poland in June. No specific date has been set yet. The chancellor will arrive in Poland at the invitation of our authorities.

[Correspondent Malgorzata Raczynska] It was also announced that preparations are in progress for an official visit by Polish Foreign Minister Wladyslaw Bartoszewski to Germany. On 31 March he will be the guest of his German counterpart, Klaus Kinkel. This will be the first visit by the Polish foreign minister to Germany since he took over his office.

Minister Explains 'Storm' Over Arms Sales to Iran

WS2003135695 Warsaw GAZETA SWIATECZNA in Polish 18-19 Mar 95 p 3

[Article by "(krzem, orka, JK)": "MSZ Head and Tanks"]

[FBIS Translated Text] Poland will deliver to Iran those arms that have already been ordered; however, there will probably be no new contracts.

This is how much one could infer from yesterday's statements by Foreign Minister Wladyslaw Bartoszewski to the press.

The storm over the delivery of tanks to Iran has been caused by the minister himself. He revealed to REUTERS on Tuesday that the new government would "finalize the decisions made by the Pawlak government, just to put an end to such transactions." Bartoszewski added that "we do not intend to engage in such discussions and practices in the future."

Right after that, the Polish press reported that, under pressure from the United States, Poland was suspending the delivery of T-72 tanks to Iran.

Arms Industry Counterattacks

This gave rise to unfavorable comments on the part of the Ministry of Industry. Deputy Minister Jerzy Czerwinski said on the following day that he would like to

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meet with Bartoszewski. He warned that, as a result of halting the arms delivery, "arms industry plants may institute legal proceedings and claim damages."

The desperate situation of Poland's 31 arms industry plants is the result of, among other things, the drop in arms exports from $400 million in 1990 to $100 million in 1993. Exports increased slightly last year—to $150 million.

While Minister Bartoszewski was talking with journalists in the palace on Foksal Street, a stormy demonstration by arms-industry workers was being staged in front of the Office of the Council of Ministers and the Sejm. Its participants protested limitations on government orders for their arms.

MSZ Defends Itself

Perhaps this is why Bartoszewski very enigmatically said that, in the future, Poland would display a "lack of initiative" where the sale of arms to Iran is concerned. He stressed at the same time that "the existing contracts would be honored" and that "Poland was not breaking anything with anyone."

Bartoszewski deplored the fact that officials of the Ministry of Industry did not wait for an official explanation from the Foreign Affairs Ministry [MSZ].

Unofficial sources in the MSZ are convinced that the Ministry of Industry, which is very familiar with the decisions of the Pawlak cabinet to suspend the sale of T-72 tanks to Iran, is now trying to imply to the arms-industry unionists that it was the MSZ that forced this decision.

Americans Are Exerting Pressure

Bartoszewski explained to journalists that the U.S. authorities know the present state of affairs and have not expressed any concern.

It is worth recalling that Iran is not under any UN embargo, but the United States has been going to considerable lengths to prevent any exports of arms to this country.

A high-ranking official of the U.S. Government told us the following yesterday: "We are definitely against all arms deliveries to Iran." He added that the fact that Polish arms have been delivered to Iran would "psychologically" affect the consideration of Poland's request for admission to NATO.

We attempted yesterday to find out which exact contracts with Iran had caused the problem. Most probably these are contracts for the delivery of T-72 tanks (manufactured in the Bumar-Labedy factory), Kalashnikov guns (made by Lucznik in Radom), and ammunition (produced by Mesko in Skarzysko-Kamienna). The contract has probably already been concluded, but it is not known whether or not deliveries have begun.

The Minister Made a Mistake

Some experts in the government obviously resented the fact that Bartoszewski had inadvertently caused the entire problem by revealing the decision of Pawlak's cabinet to REUTERS. They ascribe this to the fact that the new minister does not have enough experience.

They believe the fact that such information was revealed when there is a threatened strike in the arms industry was a political mistake on the part of Bartoszewski.

Official Laments Dispute Over Russian Agreement

WS2003135895 Warsaw POLSKA ZBROJNA in Polish 15 Mar 95 pp 1-2

[Interview with Colonel Tadeusz Jedynasty, deputy director of the Military Arms and Equipment Department in MON, by Col. Stanislaw Lukaszewski; place and date not given: "There Are Interests, There Is No Controversy"]

[FBIS Translated Text] [Lukaszewski] What is the truth concerning the Polish-Russian agreement on military technology cooperation? The press keeps reporting on it in scandalous tones. Is it true that Moscow wants to reinstate cooperation along the lines of old principles? For what does the agreement provide?

[Jedynasty] That agreement has been negotiated for over a year now. It is to be signed by the Governments of the Russian Federation and the Republic of Poland and provide for bilateral supplies of special equipment and military services. The supplies would be primarily targeted at maintaining technical equipment in our Army that was imported from the former USSR. It must be stressed that we will still use munitions from Russia for the next 10-15 years.

[Lukaszewski] Are there any other reasons for this cooperation?

[Jedynasty] Of course there are. I have mentioned only one, pertaining to purchases of spare parts, engine units, and other components for weaponry we currently use. The military industry addresses requirements specified by the Ministry of National Defense [MON]. It is also interested in purchasing certain parts and pieces of hardware needed for the production of military equipment. Cooperation is also needed to carry out overhauls of equipment imported from the former USSR, which we are incapable of carrying out domestically or which are not economically feasible.

[Lukaszewski] What are Russia's interests in all this?

[Jedynasty] We must remember that, within the former Warsaw Pact, Poland was an important supplier of equipment to that market. That is why the possibility of exporting spare parts and rendering military services to Russia is in the interests of our military industry. Russia

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needs supplies of spare parts for aircraft, mainly helicopters, and to perpetuate the overhauls of ships that were produced for its needs in our shipyards.

[Lukaszewski] How does this relate to our attempts to join NATO?

[Jedynasty] There is no controversy in that regard. We must maintain our equipment. We are also modernizing equipment and here...we are open. We are seeking cooperation, primarily in the West. Some contacts have already been established. Replacing the equipment of the Armed Forces of the Republic of Poland is a process that will go on for many years. Within NATO itself, the particular members are not striving to have uniform weaponry. That would be too expensive, and it is not really that vital an issue.

[Lukaszewski] According to allegations made by some papers, the agreement with Russia was not signed because the Polish side wanted it to be confined to securing supplies of subassemblies manufactured in Russia for Polish-made equipment. You took part in the negotiations in Russia. When do you think an agreement that we will find satisfying can be signed?

[Jedynasty] First of all, I wish to tell you I feel disappointed that many journalists who took up this topic in the press or on television did not know or understand what the agreement was all about and how its signing could benefit us. Reports, or rather assumptions and conclusions, were based on political arguments rather than on substantial facts. No one should seek scandal in matters of such importance. Such action on the part of journalists and politicians who spoke about the issue do no good at all. There is hope the agreement will be signed, but I cannot specify a date. If the agreement is signed, it will secure both MON and the military industry with indispensable special products and materials meeting our needs. Principles of reciprocity, the equality of the contracting sides, mutual benefit, and respect for sovereignty will be observed. On the basis of my experience and observations from Moscow, I believe that a meeting between experts will allow us to reach a settlement and sign the agreement soon.

[Lukaszewski] There is a widespread belief that Russia is technologically backward. The low price of Russian-made goods is deceptive. Besides, what do you think of the opinion that the only way the Polish military industry can catch up with the rest of the world is to cooperate with the West? How can the two be reconciled?

[Jedynasty] It is true that our military industry can only catch up with the world by cooperating with the West. There are many examples of how we are doing this already. We have already established contacts, launched cooperation projects, and shipped the first supplies. MON forecasts for the next few years prove that this cooperation will expand.

I wish to emphasize strongly that no one in MON has ever formulated the thesis of our dependency on Moscow. We can say that we have joint interests, that doing business together is mutually beneficial. There is no contradiction here. In particular, there are no grounds to speak of the dependency of one state on the other.

[Lukaszewski] What do you have to say about the report that claims that we have a problem with only precisely 27 products from the former USSR?

[Jedynasty] The needs of MON for spare parts for equipment produced in the former USSR are not limited to a mere 27 items. We carried out a thorough analysis in 1992. Believe me, there are many more such items. I have been dealing with this problem—in great detail—for the past 20 years. I can immodestly say that I know the equipment of our Army very well.

[Lukaszewski] Thank you for the interview.

Marek Pol on New Ministries, Division of Power

WS2003151695 Warsaw GAZETA WYBORCZA in Polish 20 Mar 95 p 16

[Interview with Marek Pol, government plenipotentiary for Economic Center Reform, by Artur Morka; place and date not given: "The Central Reformer"]

[FBIS Translated Text] [Morka] Why do the economic ministries have to be reformed?

[Pol] There is no clear picture of public finances, and the economic ministries act both as regulators and owners. Authority intersects and huge confusion is the result.

Currently, 10 ministries deal with the economy. There will be fewer in the future. Most probably, aside from the already existing ministries, such as the Ministry of Transport and the Ministry of Agriculture, new ministries of public finances, state treasury estate, economic infrastructure, the economy, and international economic integration will be established.

[Morka] Does the fact that a ministry of public finances will be formed mean that the current Ministry of Finance will be dissolved?

[Pol] No, the Ministry of Finance is doing quite well in administering public funds. Still, activities pertaining to the current state policy of public finances (budget, taxes, etc.) intersect with long-term activities pertaining to economic strategy within this ministry. We have to split the two between the Ministry of Finance and the proposed ministry of the economy.

[Morka] Why the need for a state treasury ministry?

[Pol] Today, practically no records are kept of state property. The primary objective of the state treasury minister will be to set the records straight, oversee the condition of property, and supervise all ownership changes. At the least.

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Most probably, the ministry will act as owner of part of the state treasury property.

I believe, however, that the new ministry should not become a huge "federation," in the worst meaning of the term.

[Morka] What about the ministry of the economy?

[Pol] Its establishment will allow us to strike a balance between the budget policy, with its one-year time frame, and economic policies, which must cover a longer period.

The ministry of the economy will develop and supervise the implementation of short-term and long-term state economic projects. It will also define the economic instruments—customs, taxes, concessions, quotas—that need to be utilized to attain the projected objectives.

At present, only the Council of Ministers has been coordinating such activities. Even the Economic Committee of the Office of the Council of Ministers cannot perform these functions because it is only an advisory body.

The core of the ministry of the economy will be what are now the Ministry of Industry and Trade, the Central Planning Office, part of the Ministry of Finance, and the Ministry for Foreign Economic Cooperation. It still remains to be determined which functions of the Construction Ministry should be incorporated into the new ministry of the economy.

[Morka] What about the remaining ministries?

[Pol] Some of the functions of the Ministry of Foreign Economic Cooperation should be delegated to the ministry of the economy. The rest will be taken over by the ministry of foreign economic integration, which is to be responsible for integrating Poland with the EU and other international institutions.

Changes must also be carried out in the Ministries of Transport, Communications, Agriculture, and Privatization, although they do not necessarily have to be dissolved. The Ministry of Agriculture, for example, should also deal with developing rural areas and fostering entrepreneurship in those regions.

The Ministry of Privatization should not act as owner of a huge number of companies, especially those that are not to be privatized in the immediate future.

[Morka] We currently have 10 economic ministries. There will be nearly as many after the reform (five new and four or five old). What is the benefit?

[Pol] It is not the basic objective of the reform to dramatically decrease the number of ministries in Poland, although it probably will drop. The number of ministries in Poland is not that much different from other European models.

The reform is to distribute functions among the ministries so that they can operate more effectively and in line with modern-day economic requirements for the same, or even less, amount of taxpayer money.

[Morka] When the reform plan was first announced, it was said that Deputy Prime Minister Kolodko would be in charge of it. Are you going to replace him?

[Pol] It is not that Pol filled Kolodko's shoes. The deputy prime minister himself wanted me to become the governmental plenipotentiary for the center reform. He asked for that when it turned out that, due to divisions within the coalition, I was no longer head of the Ministry of Industry.

[Morka] Who is your direct superior, Kolodko or Oleksy?

[Pol] Prime Minister Jozef Oleksy.

[Morka] Why did you decide to become the plenipotentiary?

[Pol] I did not seek this job, I could have become a full-time deputy. I wish everyone got as many lucrative offers as I did upon leaving the ministry.

I was asked to accept this office because of my experience and my position in the previous government and because I am not connected with any of the coalition parties.

I rejected four offers made to me by Deputy Prime Minister Kolodko. Prime Minister Oleksy, Deputy Prime Minister Kolodko, and the head of the Office of the Council of Ministers all asked me to accept the offer. I gave in on the fifth time.

I did, however, make certain conditions. First of all, that the decision of appointing the plenipotentiary be made by the entire Council of Ministers. Second, that the date of implementing the center reform be set and taken into consideration when drafting next year's budget. The reform must thus begin before next year's budget is approved—that is, before May 1995.

State-Church Talks on New Constitution Continue

LD2103130395 Warsaw PAP in Polish 1132 GMT 21 Mar 95

[FBIS Translated Text] Warsaw, 21 Mar—Aleksander Kwasniewski, chairman of the National Assembly Constitutional Commission, told journalists today that he had talks with representatives of the Polish episcopate on 20 March about what the new constitution should say on state-church relations. He added that he will say more after consulting Monday's decisions with the parliamentary floor groups. "I said once that, because the church has existed for 2,000 years and the Polish state for 1,000, one more week will make no difference," Kwasniewski said.

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Asked whether he deliberately delays these talks to give a little peace to the Oleksy government, Kwasniewski replied: "I am neither delaying nor rushing things. Events have their own dynamics. A meeting between the prime minister and Primate Jozef Glemp is to take place, and I think it will be important for putting relations between the church hierarchy and the government in order. Recent statements were above my understanding, alarming, and in many cases based on false premises."

According to Kwasniewski, the commission is doing what is expected of it. "We have been looking for solutions not to regulate relations between Primate Glemp and Prime Minister Oleksy today, but to build a democratic state with a place for the Catholic Church, other churches, and nonbelievers. I think everything can be achieved if we manage to escape from associations, suspicions, and this whole burden of the past. Our proposals have been devised in such a manner that the shadow of the past will not be too big and will not interfere," the commission chairman said.

Finance Minister on Taxation, Inflation

LD2103132195 Warsaw Radio Zet in Polish 0710 GMT 21 Mar 95

[Finance Minister Grzegorz Kolodko interview by correspondent Andrzej Woyciechowski; from the "Guest of Radio Zet" program—live]

[FBIS Translated Excerpt] [Woyciechowski] Tell me, Minister, what is the situation with our taxes? Will they be higher or lower?

[Kolodko] Well, for the time being, taxes are not higher; they are at the same level as last year.

[Woyciechowski] That means they are higher.

[Kolodko] They are at the same level as last year, and we will be implementing the Sejm's decision in this respect. In the context of the Constitutional Tribunal's ruling, the government and the Finance Ministry are now waiting for the Sejm to make a final decision because there is a divergence on this issue between the Sejm and the Constitutional Tribunal. The Sejm has to take a certain position, that is...

[Woyciechowski, interrupting] How will the Sejm vote? How do you visualize it?

[Kolodko] Well, I am not a deputy. But as a government member and finance minister, I am waiting for that position. The Sejm, as well as the government, is to receive a written justification by the Constitutional Tribunal...

[Woyciechowski, interrupting] Which has so far not been received?

[Kolodko] Yes, that is right. We do, of course, know the substantive contents of that ruling. [passage omitted]

[Woyciechowski] But are you promising that next year our taxes will be lower?

[Kolodko] But I have already told you I will not answer this question. I would like to say, however, that by rejecting the presidential veto on 2 December 1994, the Freedom Union [UW] thus supported the position of the ruling coalition of the PSL [Polish Peasant Party] and the SLD [Democratic Left Alliance]. Therefore, I trust that if we all are consistent, and consistency is a good thing in the implementation of economic and financial policies, it may happen again this time. And you are asking me about my promises. Well, taxes are set by parliaments. I can only express my intentions—my intention, first and foremost, is to care about preserving the balance of public finances so that we can most efficiently counteract inflation and maintain clear tendencies for rapid economic growth—and the financial policy will toe this line. [passage omitted]

[Woyciechowski] But why are personal taxes so high in Poland? Everybody says they are high because there are just three tax bands, because there are very few tax rebates.

[Kolodko] There are many rebates available. On the other hand, some other parliament members and politicians outside the parliament as well as businessmen have been criticizing us for having too many tax rebates. [passage omitted].

[Woyciechowski] Sir, it is said that we are short some 18 trillion zlotys or 11 trillion zlotys, that some sort of apocalypse will take place, that there will be no money for anything, that the whole budget will fall to pieces. How much truth is there in this, or have you just been using scare tactics, or will it really happen?

[Kolodko] No, no, I am not trying to scare anyone. I have not said anything like that. There will never be any apocalypse, although one could easily imagine it, especially if certain people are allowed to run the taxation policy.

[Woyciechowski] Do you know who? Or is it some sort of (?political) poetry? No names?

[Kolodko] Well, it is poetry when a finance minister can be a poet for a second. On the other hand, the financial situation in our country is a difficult and complex one, but Prime Minister Jozef Oleksy's government keeps it under control for the benefit of the Polish economy, its dynamic development and stabilization. If, however, the budget were running short of financial resources, the situation would, of course, be difficult. But there will never be any apocalypse.

[Woyciechowski] So you will be able to manage even if lower taxes are adopted?

[Kolodko] I think our government and our parliament will be able to cope in many different situations, but, as far as lower taxes are concerned... [changes thought] The

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rates of taxation are as they are: the Sejm adopted them. And until the Sejm does not take its position on the ruling of the Constitutional Tribunal, the current tax-bands are binding. [passage omitted].

[Woyciechowski] Why does the Freedom Union [UW] want your dismissal?

[Kolodko] Have you asked it about it?

[Woyciechowski] No, I am starting with you.

[Kolodko] I do not know.

[Woyciechowski] Tell me about inflation: Some predicted 17 percent, but it is higher; some say it will even reach 21 percent. What happened to this mechanism?

[Kolodko] [Passage omitted] It will be difficult to reach a level of 17 percent, but our government, Prime Minister Jozef Oleksy's government, and its finance minister have by no means given up.

[Woyciechowski] So you are struggling to reach 17-percent inflation?

[Kolodko] Yes, that is the word. I have been struggling to reach this aim, but this is an unusually difficult struggle...

[Woyciechowski, interrupting] But what has happened? Who has destroyed your mechanism? You have, after all, planned everything well.

[Kolodko] The resistance of the matter, you know. It is not the people. It is not the case that there are some willful people keen to destroy. There are certain mistakes that can be made in economic policy. One of the main reasons for our current inflation is the excessive outflow of money because of the accumulation of foreign currency reserves. You know that it is not the government but the central bank that decides on monetary policy. [passage omitted].

[Woyciechowski] Prime Minister, we have just one minute left. Can you tell us within that minute when the zloty is to be made convertible?

[Kolodko] I believe it is going to happen in a matter of weeks. Yes, I would put it this way.

[Woyciechowski] In a matter of weeks.

[Kolodko] Yes, in a matter of weeks because, as part of the Strategy for Poland, we have implemented a new foreign currency law, which has been in force since 1 January. Principally, on both the economic and the legislative sides, all the requirements have been met. Currently, we are putting final touches on the letter of intent, which I intend to sign together with the president of the Polish National Bank [NBP] and then advise the IMF about the acceptance of the so-called Article 8...

[Woyciechowski, interrupting] ...that the zloty is already convertible?

[Kolodko] Yes, that we are not going to discriminate against other currencies, that our residents, as well as foreigners, can deal in foreign currencies when doing business. There will be no restrictions in this respect in keeping with Article 8 and the IMF's interpretation, binding all over the world, of the convertibility of the Polish zloty. After we cut off four zeros [from our old bank notes] and after inflation has fallen—I hope, after our joint effort, to a level of 17 percent—the zloty will really be a good currency, well worth struggling for, in the sense of working and saving. This is what we have been trying to achieve. Prime Minister Jozef Oleksy's government has been working toward this goal all the time. I also count here on support from social partners in both business and trade union circles. The budget law, which we are going to implement, is just meant to serve this purpose. It is also good news because in March our inflation is clearly lower. According to our initial estimates, it will amount to about 1.6 percent, which in a year should come to...

[Woyciechowski, interrupting] One point six percent a month?

[Kolodko] If this trend lasts throughout the whole year, this would amount to 21 percent. So we still have to make an effort to get inflation to the level of 17 percent. On no account would I give up this ambitious and difficult aim now on the first day of spring.

[Woyciechowski] Prime Minister, does this mean that March inflation was higher than planned?

[Kolodko] No, it was lower.

[Woyciechowski] Lower?

[Kolodko] Yes, lower. And will you bet that this news will not appear on the front page of the newspapers, that inflation is lower than predicted?

[Woyciechowski] Yes, let us do that.

[Kolodko] Marvelous. The finance minister will then be somewhat richer.

[Woyciechowski] Thank you very much. Grzegorz Kolodko, deputy prime minister and finance minister, was Radio Zet's guest this morning.

[Kolodko] Thank you for listening.

Weekly Outlines Foreign Investment Activity

WS2103104595 Poznan WPROST in Polish 19 Mar 95 pp 64-65

[Article by Andrzej Zybala: "Vanishing Capital"]

[FBIS Translated Text] *Approximately 1.4 percent of the productive assets in Poland belongs to foreign investors. The value of their investments thus far—$4.3 billion—is approximately 100 trillion old zlotys [Z] at the current*

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exchange rate. The value of the means of production is Z7 quadrillion. This answers the question of Poland's dependence on foreign capital.

According to Professor Jerzy Osiatynski, finance minister in Hanna Suchocka's government, the 20-percent plunge in foreign investment last year shows that Poland is losing the chance of attracting capital it was given by signing an agreement with the London Club. The reduction of debts in commercial banks was to restore trust in our country among international financial circles and decrease the investment risk. Meanwhile, investments fell by $300 million last year. Only Deputy Prime Minister Kolodko claimed they had risen—instead of comparing last year's investments with those of 1993, he compared them to the mean value of investments between 1990 and 1994.

"Poles must realize the sharp competition for capital," says Wladyslaw Bibrowski, from the Polish Agency of Foreign Investments. For the time being, however, we are losing painfully.

We have managed to attract a mere 1.5 percent of the capital that has been invested in developing countries since 1990.

We are competing with those countries for the foreign entrepreneurs who have spent approximately $274 billion on direct investments over the past four years (apart from investments in the stock exchange). The number of countries that are becoming more hungry for capital is growing. Russia, although still unstable, attracts attention with its natural resource reserves, the largest in the world. Investors are tempted by the ever more dynamically developing markets of Latin America.

In a ranking of the most competitive economies published last year by the World Economic Forum, Poland, listed in a distant 41st position, was outranked by Mexico, Brazil, and Chile, as well as by Hungary and the Czech Republic. We were also beaten by competitors from Asia—Thailand, Taiwan, Malaysia, and Indonesia. The world's public economic opinion charges us with protectionist tendencies, poorly developed international trade exchange, and too much interference on the part of the government in the economy. Another weakness of our economy is the unwillingness of Polish managers to upgrade their skills and retrain. Moreover, they do not like to share power within their companies.

Huge sums were invested in, for example, household cleaning products or the processing industry, while, because of the state monopoly, the most capital-starved branches such as the power industry, the fuel industry, and telecommunications, were closed to investors.

This is particularly disturbing because Poland does not have the funds needed for, among other things, the modernization of its fuel industry, which requires more than $4 billion, or the power industry, calling for another $3 billion per year. If the above branches of industry remain closed, the influx of foreign capital will diminish. According to Prof. Jerzy Osiatynski, there is no excuse for the lack of investment in the shipbuilding industry, construction equipment, etc.

Experts stress that foreign investors are also discouraged by the waning pace of privatization. All over the world, foreign investments concur with the state's giving up its shares in the economy. "It often turns out that you cannot buy anything sensible here because some sectors are politically sensitive, or companies have their reasons to stay with the state," says Leslaw Paga, head of the consulting firm Deloitte and Touche, formerly head of the Securities Commission.

In 1994, the number of companies that were privatized fell from 475 to 280.

Although Prime Minister Jozef Oleksy said he would accelerate the privatization process, he winked an eye at his constituency, saying he would tend to Poland's economic sovereignty. This must sound strange in a country where per capita foreign investment is nearly eight times lower than in Hungary and more than three times lower than in the Czech Republic. It sounds even more strange considering the judgment that, if Poland is ever to attain the standards of a moderately wealthy European state, it will require investments of approximately $200-300 billion. Meanwhile, according to Leslaw Paga, few firms enumerated on the FORTUNE magazine list of the 500 largest companies invest in Poland.

The domestic telecommunications market is closed to foreign investors, despite the fact that Polish Telecommunications SA is keeping us in a civilizational theme park. We have 11.5 telephones per 100 inhabitants and are promised 28.8 telephones for the same number of Poles by the end of the century. In Hungary, where the largest international telecommunications companies have already launched operations, 90 percent of those waiting will receive telephones by 1997. They will have 40 telephones per 100 inhabitants by the year 2000. The first local commercial telephone network was opened in Swidnik just a few months ago.

"There are still fears in Poland that the foreign investor might dig up the fiber-optic cables from under the ground and deprive people of telephone connections," says the vice president of the RP Telekom company, Aleksander Szwarc.

Investors interested in the fuel market are growing impatient. Nearly everyone agrees by now that foreign investment is mandatory, yet no one is willing to make the final decision. Meanwhile, according to the Polish Chamber of Liquid Fuels, the value of the Polish fuel sector decreases by $1 million every day, and, as the day the Polish market opens up to foreign competition approaches, the interest in the domestic petrochemistry wanes. Some predict that huge concerns may conclude it is better to import fuels from just beyond Poland's

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western border than to launch production within its territory. The situation in the tobacco industry is the same. The lack of a decision to launch privatization may lead to the situation in which, once the EU states establish a free trade zone, all cigarettes will be imported, and domestic factories will go bankrupt because they will lack effective modern technologies.

"The Polish market is big enough to start the production of detergents here, yet it remains unclear whether it is prudent to invest in, let us say, the production of car assembly parts or ultramodern electronic devices for export," says Maciej Olex-Szczytowski, president of Schroeder Polska.

Only 25 percent of foreign investment in Poland involves installing the most advanced technology.

In this respect, the Hungarians and the Czechs were far more successful. Nearly 40 percent of capital in our country was invested in food processing and the production of various household products.

The hunger for capital is strongly felt not only in direct investment (industry, trade) but also in so-called portfolio investments—on the stock market. Foreign investment here is estimated at a mere $250 million, which is approximately 8 percent of the market capitalization (the value of listed companies) on the Warsaw Stock Exchange, while the so-called emerging markets [previous two words in English]—developing markets—have already attracted $110 billion. There prevails the belief in Poland that only foreign entrepreneurs with huge amounts of money can cause the stock exchange index to climb. They are not encouraged to invest, however, by xenophobic remarks made by the top authorities in our country. "This market," says Leslaw Paga, "is most sensitive to inner turmoil. Money can easily be withdrawn from the stock exchange and invested wherever it is safer."

Foreign Investment in the Years 1990-94 (billions of $U.S.)

Industry	2.5
Finance sector	0.7
Construction	0.4
Telecommunications	0.2
Trade	0.2
Other	0.3

Influx of Foreign Capital by End 1994 (billions of $U.S.)

Hungary	6.5
Russia	5.0
Poland	4.3
Czech Republic	3.7
Slovakia	1.5
Romania	1.2
Ukraine	0.3

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Foreign Ministry on Hungarian-Slovak Treaty

LD1703195295 Budapest Kossuth Radio Network in Hungarian 1500 GMT 17 Mar 95

[FBIS Translated Text] Romania does not consider the Slovak-Hungarian agreement on the basic treaty to be a model. Tibor Bogdan reports from Bucharest:

[Bogdan] The decision on signing the Hungarian-Slovak basic treaty is the business of the two sides and the Romanian Foreign Ministry does not take a position on the issue. That is what Vasileso Fineti, deputy spokesman at the Romanian Foreign Ministry, told the Hungarian Radio correspondent in connection with the Bratislava [Pozsony] agreement.

In reply to my question whether they could make use of the experience of the Hungarian-Slovak treaty and whether it could serve as a model for finalization of the Romanian-Hungarian document of a similar nature, he said that both sides have their own special problems. As far as we are concerned, we are seeking solutions to this, Fineti said.

Funar To Withdraw Ministers If Treaty Signed

AU2103095695 Bucharest EVENIMENTUL ZILEI in Romanian 18-19 Mar 95 p 3

[Article by Andra Manta: "Gheorghe Funar Has Threatened Marcel Dinu, State Secretary in the Ministry of Foreign Affairs, With Withdrawing His Ministers From the Government"]

[FBIS Translated Text] On Thursday, 16 March, Gheorghe Funar, president of the Romanian National Unity Party [PUNR], accompanied by Senator Adrian Motiu and Deputy Horia Pop, had a private meeting with Marcel Dinu, secretary of state in the Ministry of Foreign Affairs.

Dinu presented the PUNR members with the variations of Article 15 of the basic treaty with Hungary that Foreign Minister Teodor Melescanu was empowered to negotiate with his Hungarian counterpart Laszlo Kovacs. We mention that Article 15 refers to the rights of the Hungarian minority in Romania.

Funar did not like any of the variations, qualifying the article as "heavy-laden and unclear." He threatened that if the treaty is signed in this form, the PUNR will withdraw its ministers from the government and, likewise, will withdraw the support it gives to the executive.

Dinu immediately informed Teodor Melescanu via telephone about the result of discussions. We point out that on Thursday, Melescanu was holding negotiations in Budapest on the issue of the bilateral treaty.

13 Prominent PAC Members Leave Party

AU2103100595 Bucharest ROMANIA LIBERA in Romanian 15 Mar 95 p 1

[Unattributed report: "Thirteen Prominent Members of the Civic Alliance Party Announced Their Resignation"]

[FBIS Translated Text] Given the fact that the decision of the PAC [Civic Alliance Party] National Committee adopted on 12 March 1995 not to sign the addendum to the protocol of the Democratic Convention of Romania [CDR] means that the PAC is renouncing, with judicial consequences, its status as member of the CDR and member in the Civic-Liberal Alliance,

Given the fact that this decision was made in a situation of total uncertainty regarding the party's ensuing development and its possible political alliances; and considering the aforementioned facts as being incompatible with the ideals assumed by us at the time when the PAC was established or when we joined it, we make public our resignation from this political formation:

1. Dan Capatina, founding member and member of the Steering Collegium

2. Mircea Ciobanu, founding member and member of the Steering Collegium

3. Gheorghe Jovin, founding member and member of the Steering Collegium

4. Stere Gulea, founding member and member of the Steering Collegium

5. Mona Musca, founding member and member of the National Committee

6. Alexandru Paleologu, founding member, senator

7. Paul Popovat, member of the National Committee and mayor of Bucharest, Second District

8. Serban Radulescu Zoner, member of the National Committee, deputy

9. Gheorghe Radulescu, founding member and member of the National Committee

10. Lucian Radu, founding member and Bucharest deputy mayor

11. Dinu Stefanescu, member of the Judicial Commission

12. Emil Tocaci, senator and vice president of the Parliamentary group in the Senate

13. Eugen Vasiliu, founding member and member of the Steering Collegium.

World Bank Official Denies Criticizing Government

AU2103082395 Bucharest VOCEA ROMANIEI in Romanian 14 Mar 95 p 2

[Unattributed report on statements by Arntraud Hartmann, head of the World Bank mission in Romania: "I Have Not Criticized the Romanian Government"]

[FBIS Translated Text] Mrs. Arntraud Hartmann, head of the World Bank mission in Bucharest, sent us the following denial of the information published by

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ROMANIA LIBERA. She wrote the following to Petre Mihai Bacanu, the executive director of the daily ROMANIA LIBERA:

I must object firmly to the series of articles published in the daily ROMANIA LIBERA on 6, 7, and 8 March.

These articles make a very arbitrary interpretation and falsify the information supplied on the occasion of the press conference that took place on 3 March.

During the respective news conference, I supplied some information regarding the following steps in preparing the FESAL [Financial Sector and Enterprises Structural Adjustment Loan] program. These pieces of information were strictly factual and did not imply any assessment as far as the willingness of the government to take privatization measures and other reforms are concerned. The articles published in ROMANIA LIBERA are terribly incorrect as far as both the reasoning and the facts are concerned. The statement that claims that I criticized the government and that I expressed doubt regarding its willingness to implement reform, and the announcement according to which the FESAL program has been postponed, are both completely erroneous.

The World Bank and the Romanian authorities have worked together with great success in preparing the FESAL program, and the two sides are in complete agreement regarding the objectives of this program. It is expected that the FESAL program will be negotiated immediately after the parliament passes the law on privatization.

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Ganic, Akashi View Bonn, Vienna, Washington Talks

AU2003212095 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 20 Mar 95

[FBIS Translated Text] A meeting between Ejup Ganic, member of the Presidency of the Republic of Bosnia-Herzegovina and vice president of the Federation of Bosnia-Herzegovina, and Yasushi Akashi, special envoy of the UN secretary general, was held in Zagreb today. The talks touched upon three topics: Violations by the Karadzic's Serbs of the agreement on the four-month cessation of hostilities; the situation in Bihac regarding the dispatch of humanitarian aid to the starving people there; and the establishment of the UNPROFOR [UN Protection Force] mandate in the Republic of Bosnia-Herzegovina.

Regarding the first topic, the truce violations by Karadzic's Serbs, Ganic pointed out to Akashi that the Bosnia-Herzegovina Army would have to respond to attacks by the Karadzic's Serbs if they fail to stop violating the agreement at once. Regarding Bihac, Vice President Ganic told Akashi that humanitarian aid should be distributed according to the principle of to everybody or nobody. Akashi said that he will work on this issue in coordination with the UNHCR.

Vice President Ganic said that he was satisfied with his talks with Akashi, that Akashi accepted all his proposals, but that the results remain to be seen in the field.

The meeting with Akashi followed Mr. Ganic's return from meetings in Petersberg Castle in Bonn, in Vienna, and in Washington.

At the news conference held after his meeting with Akashi, Ganic said that the meeting in Petersberg Castle was used for a final acceleration of the process of implementation of the Constitution of the Federation and that the signed agreement specifically envisages details, deadlines, and executors.

The Federation is a strategic and not tactical orientation, Ganic said, and added that the union of Bosniaks and Croats has created a natural balance in the region and deters the aggressor from attacking.

The meeting in Petersburg Castle was held under the U.S. auspices and with its presence, the member of the Presidency of the Republic and vice president of the Federation of Bosnia-Herzegovina said.

At the invitation of Austrian Foreign Minister Alois Mock, the Federation was publicly discussed at a round table conference in Vienna and it was concluded that intensive work on building up its institutions should be continued with a view to achieving peace in the region. The Federation is a redeeming feature of the international diplomacy and its influence, Ganic said.

In Washington, Ganic also spoke, as a vice president of the Federation and on behalf of the Presidency of the Republic of Bosnia-Herzegovina, about the stands regarding the cooperation with the Republic of Croatia, about the necessity of establishing the agreement on duty free trade between the Republic of Bosnia-Herzegovina and the Republic of Croatia, about the special procedure to protect citizens' property, and the importance of avoiding court procedures for people who left the territory of the Republic of Bosnia-Herzegovina [sentence as heard].

Vice President Ganic stressed the need to sign the agreement on the free use of Ploce Port, the necessity for refugees—Bosniaks and Croatians—to return to their homes, and the need for the Republic of Croatia to ease communications. These demands will be made operational in a few days.

Boban Comments on Izetbegovic's Trip to Bonn

AU2103123695 Berlin DIE WELT in German 21 Mar 95 p 4

[Article by Carl Gustav Stroehm: "Izetbegovic Avoided the Term 'Federation' in Bonn"]

[FBIS Translated Excerpt] Zagreb—The appearance of Alija Izetbegovic, president of the [Presidency of the] Republic of Bosnia-Herzegovina, at the Foreign Affairs Committee of the Bundestag in Bonn has given rise to critical remarks in political circles in the Croatian capital.

"Izetbegovic is president of Bosnia as little as I am the emperor of China," Mate Boban, formerly negotiator and spokesman of the Bosnian-Herzegovinian Croats, has told DIE WELT. Izetbegovic's mandate as "president of the Presidency of Bosnia-Herzegovina" expired two years ago. Strictly speaking, Izetbegovic is only the representative of one of the three "constituent" nations of Bosnia, namely the Muslims.

In any case, it is interesting that in his statement in Bonn Izetbegovic at first did not mention the Muslim-Croatian Federation at all (he changed this only after several questions by Bundestag deputies). The planned "confederation" between the Federation of Bosnia and the Republic of Croatia did not figure at all in his speech. Nor did Izetbegovic mention Croats who live in Bosnia.

"Our goal is the entire Bosnia-Herzegovina in its existing borders and as a democratic country. The second goal is a multicultural Bosnia," he said.

The Croats interpret these words as a striving for a central unified state, in which the Muslims might dominate as the majority over the Croats. Furthermore, Zagreb objects to the fact that Izetbegovic did not talk of the "peoples" but only of the "people" of Bosnia. In this connection, the suspicion is being voiced that he is using the "Federation," which only exists on paper for the time being, just as a means to achieve a specific purpose. [passage omitted]

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Valentic, Silajdzic To Hold Joint Meeting

AU2003215795 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 20 Mar 95

[FBIS Translated Text] Haris Silajdzic, prime minister of the Republic and Federation of Bosnia-Herzegovina, met with Croatian Prime Minister Nikica Valentic in Zagreb today. The meeting was also attended by Kasim Trnka, ambassador of the Republic of Bosnia-Herzegovina to the Republic of Croatia.

Prime Ministers Silajdzic and Valentic agreed to hold a joint meeting of the two governments at the end of this week, which will discuss the current issues of relations between Bosnia-Herzegovina and Croatia in light of the implementation of the Washington Agreement.

In a statement made after the meeting, the two prime ministers pointed out that they expect an open and constructive debate on the most significant questions concerning the furthering of mutual relations. They also agreed that this is one of the crucial moments in solving the crisis in the former Yugoslavia and that the further development of events will depend very much on mutual relations between Sarajevo and Zagreb. The governments are expected to devote special attention at the joint meeting to reaching an agreement on the use of the Ploce port and the passage through Neum municipality, as well as the agreements on abolishing visas and the return of refugees.

Also to be initiated will be the question of reaching several agreements on economic cooperation, communications, the mutual protection of property, and the mutual providing of legal aid.

The Bosnian Government will demand that administrative and other obstacles that make the transit of commodities through Croatia difficult be removed as soon as possible.

Finance Minister Tomic Views Economic System

AU2103085495 Sarajevo OSLOBODJENJE in Serbo-Croatian 10 Mar 95 p 8

[Interview with Neven Tomic, finance minister of the Republic and Federation of Bosnia-Herzegovina, by Ibrahim Polimac; place and date not given: "The Payments System as a Point of Contact"]

[FBIS Translated Excerpt] The package of laws in the field of finances adopted by the Constituent Assembly of the Federation at the beginning of this year was approved of by the Assembly of the Federation. Identical regulations should be applied to the economic system on the territory controlled by the Croatian Defense Council [HVO] and to the economic system in the territories controlled by the Army of Bosnia-Herzegovina. Their application will start after they have been published in the "Official Gazette." From the theoretical point of view, everything could start functioning, but from the practical point of view, things look somewhat different.

[Tomic] As soon as all the conditions for the implementation of these federal regulations are fulfilled, we shall, in my opinion, really be able to quickly and efficiently unite the two regions that are now two separate tax and customs areas. Except for the basic problem of how to regulate the relations between the Republic and the Federation, one of the controversial issues is also the adoption of the Federal budget. We have obviously begun with the second half of the task. We have adopted the regulations about the income, but the budget cannot function if the expenses are not known. This means that laws on the army and the police, as its largest users, are necessary, which is also true of other aspects of public expenditure. We have not yet established large counties as federal units with certain powers and their own budgets. It is practically impossible to shape up the Federal budget now, or better to say, we can form the income, which could—according to the financial logic—remain in a certain account until federal users of that money have appeared. Therefore, we have decided to create the same conditions for the functioning of economy in the two existing systems through the establishment of the Federation.

Rules of the Game

[Polimac] Has any progress been achieved?

[Tomic] We have two customs and tax areas and there is no double taxation. The incomes are administered according to their final use, and there has been no criticism in the last four or five months.

[Polimac] To what extent will the constitution of the Canton of Western Herzegovina help the two systems come closer?

[Tomic] We, the financial experts, are not politicians or euphoric people who would say: Now that the second Croatian canton has been established, we can expect something to happen with the Federation. The Federation expresses the wish of the two people, and I think that qualitative changes will happen only after large mixed counties have been established, because they should reflect the Federation of tomorrow. I think that the establishment of the Canton of Western Herzegovina is, so to say, one of the technical prerequisites for the establishment of authorities according to the Constitution of the Federation.

[Polimac] The payments system is often mentioned as a impediment to the progress in the cooperation between the Federation parts?

[Tomic] The payments system regulations and its institutions have also been made equal on the whole territory. In the area controlled by the Army of Bosnia-Herzegovina, the payments system has been harmonized and considerable progress has been achieved in its functioning, but we know that many transactions are still conducted in cash, which means that taxes can be avoided. We have to enhance the control system and

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stamp out this practice now. By introducing customs and taxation regulations we have enabled the flow of people and commodities between the parts of the Federation and defined the rules of the game. There is another difficulty regarding the payments system. The complete payments system, especially hard-currency payments, is controlled by the Social Audit Service—that is, by the Institute of Payments System—in the area controlled by the Army of Bosnia-Herzegovina and, in the area controlled by the HVO, it is controlled by banks, which means that the two systems are not compatible in this, so that transactions are made through foreign banks. I think that the next step in the creation of the conditions for the functioning of economy will be cooperation between banks, which is already appearing. [passage omitted]

[Polimac] At what stage are the laws on the Central Bank and the currency of the Federation?

[Tomic] They have reached the government. This set of laws has been postponed, but I think that they have been defined and agreed upon and that they will come into effect after the regulations about public expenditure have been adopted. We can expect that after the competition for the design of our coat of arms and the flag, we shall soon have a competition for the name of our currency.

[Polimac] As far as the currency is concerned, it has been noticed lately that the exchange-rate of the Bosnian dinar is stable. It has also been noticed that it has lately been used as a means of payment even in Sarajevo, where it was refused for a long time.

[Tomic] The explanation is simple. There are no uncontrolled money issues any longer. Until June 1994, the budget of the Republic was predominantly financed from money issues, or by loans taken at the National Bank. The split territory, the lack of a payments system, and similar problems have led to a situation in which there were practically five of six currencies, all of which were called the dinar. After that, we started working with a real budget, with the income achieved through certain activities connected to deposits. The National Bank, which takes care of the Bosnian dinar, foresees that money issues can, I think, reach 10 percent of the budget, but they have to be returned during the same fiscal year. The amount of dinars in circulation is practically steady, and the liabilities toward the state are paid in dinars. Controls through the finance police, inspections, and other bodies have been intensified, which improved the payment of taxes. At the same time, this means that the demand for the dinar rose because people have to pay taxes. A real danger for the dinar may come when we start paying salaries and pensions, because the amount of production, the creation of new value will not be able to follow. This is one of the facts we have to bear in mind when regulations about salaries are adopted.

A Great Challenge

[Polimac] How do you see the solution to the problem of salaries, especially in public expenditure?

[Tomic] The payment of salaries must start functioning as it will set a series of other activities in motion. The greater part of the working population, however, is either in the Army of Bosnia-Herzegovina or in the HVO, so that only those plants that enable the people to survive or that manufacture the things necessary for defense will work. The people employed in these fields are practically paid from the budget. This means that we are transferring funds that exist and do not exist at the same time, because there is no new value. Only a small number of commodities are sold at the market. We have to insist on paying salaries and wages, however. We have to try to bring the living conditions in the whole territory of the Federation to the same level because this is one of the elements that will link us. [passage omitted]

[Polimac] The economic revival program could significantly influence the solution to the problem of salaries and improve economic relations in the Federation. Out of 404 projects, almost 120 are on the territory controlled by the HVO. Will "Herceg-Bosna" participate in the basic financial program that the Government of the Republic and the Federation determined?

[Tomic] First of all, these projects have to be welcomed regardless of certain differences in their level and the possibility of their materialization. They prove that there are people and institutions that think about these problems and that are ready to offer something. On the other hand, we can tell all international mediators who come to Bosnia and claim to be ready to help that we have concrete projects underway. It is easier to find financial means when there is a program. As far as the projects on the territory controlled by the HVO are concerned, it would be honest if this region participated in them with the amount of money the Federation will allot for that purpose. On the other hand, through adequate institutions, money can also be raised for these projects in Herceg-Bosna. All of the projects offered now will be financed from the Herceg-Bosna budget, and this is an important incentive. Concrete projects can be materialized more easily. This was the case with the U.S. delegation some days ago when a water-supply project for the Lasva Valley was discussed. This project will solve the problem of supplying water to a certain number of communes controlled by the HVO. These are activities that mean a lot for the Federation too, not only for the local population. [passage omitted]

Lazovic: Croatian Initiative Helping Karadzic

AU2103085395 Sarajevo VECERNJE NOVINE in Serbo-Croatian 8 Mar 95 p 5

[Interview with Miro Lazovic, chairman of the Assembly of the Republic of Bosnia-Herzegovina, by M. Micevska; place and date not given: "Destruction of the Republic"]

[FBIS Translated Text] Several days ago the public was informed about the attitudes the Croatian National Council and other Croatian organizations and associations in Sarajevo regarding the functioning of the authorities of the Republic of Bosnia-Herzegovina such as the

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Presidency, the Assembly, and the Government. The proposals are that the "merger" of the Republican Assembly and its government into the corresponding federal bodies should be approved by the Assemblies of the Federation and the Republic.

It is also required of the Assembly of the Republic and the Federation to harmonize the functions of the Presidency of the Republic of Bosnia-Herzegovina with the Federation Constitution in order to divide its powers clearly from those of the Federation.

This initiative has not yet been passed to the Republican Assembly, but we have been talking to Miro Lazovic, chairman of the Assembly of the Republic of Bosnia-Herzegovina, about what this initiative really means.

[Lazovic] I do not think that this initiative should be rejected in advance, if it really helps to remove obstacles to the establishment of the Federation and at the same time to the survival of Bosnia-Herzegovina within its internationally recognized borders.

[Micevska] How do you interpret the initiative for the "merger" of the Assembly and the Government of the Republic of Bosnia-Herzegovina into corresponding federal bodies?

[Lazovic] What the Croatian National Council has so far presented to the public is in my opinion an incorrect method and a kind of substitution of theses. I am critical of such a removal of existing obstacles, which are primarily political. It is obvious that official Croatian policy, which is also supported by certain political blocs in western Herzegovina, supports Bosnia-Herzegovina only verbally but in practice does not want to take action to strengthen both the Federation and Bosnia-Herzegovina.

The Republic is not an obstacle to the existence of the Federation, any more than the powers of the Presidency of the Republic of Bosnia-Herzegovina, of the Assembly, or of the government are an obstacle to the implementation of the Federation Constitution in part of Bosnia-Herzegovina.

[Micevska] Would these initiatives really help the Federation to come into existence?

[Lazovic] As they are presented, these initiatives and proposals have contributed to a further dismantling of the Republic, instead of being aimed at a more rapid dismantling of "Herceg-Bosna." They are full of questions and open dilemmas. If we want the Federation throughout Bosnia-Herzegovina, is it not logical to build up the institutions of the Republic of Bosnia-Herzegovina in order to prevent the creation of an ethnically homogeneous Serbian parastate? The wish that the Federation should replace the Republic only supports Greater Serbian aims. Therefore, I support the continuity of the institutions of the Republic, which should, accompanied by a strong Federation, force the international players to exert the necessary pressure on the Belgrade regime to recognize Bosnia-Herzegovina and finally accept the peace plan.

Apart from this, this initiative is also connected with the problem of what will happen to the Serbs in the free territories of Bosnia-Herzegovina and how the Croats intend to solve the Serbian problem. It seems to me that this initiative is one step further in the direction of a division of Bosnia-Herzegovina and Karadzic's plans.

Source Details Army-HVO Military Accord

AU2003125095 Pale JAVNOST in Serbo-Croatian 11 Mar 95 pp 4-5

[Article by Zeljko Cvijanovic: "Waiting for the Fourth Spring of War"]

[FBIS Translated Excerpt] The visit of Mr. Richard Holbrooke, the U.S. deputy secretary of state, to Zagreb at the beginning of last week recalls the situation in which a man goes to a hamburger kiosk on the corner to buy a hamburger and returns pushing a whole calf in front of him. Holbrooke announced that his visit to Croatia would be to exert "gentle pressure" on Franjo Tudjman with the aim of having him change his decision to remove the UN Protection Force. What he brought back to Washington in his diplomatic bag is an agreement between the Muslim and Croatian military commanders on the establishment of a joint staff of the Croatian Army and the Army of the Croat-Muslim Federation. Only those who know that calves are not sold at hamburger kiosks and that Holbrooke was until recently in charge of the (good) Muslim-Croatian relations were not surprised by this overfulfillment of the requirement.

So as to present everything in the style of a good American western, in which it is clear from the beginning who is fighting against whom, Kresimir Zubak and Ejup Ganic went to Bonn two days later in order to boast to Klaus Kinkel personally that they were perfectly ready and that spring in Bosnia should not begin without them this year. The role of these well intentioned postmen over the announcement of a bloody spring was naturally taken by the Turks, who have already been arming the Muslims for a month through Dubrava military airport near Tuzla, accompanied by a powerful media campaign. Iranian and Saudi ships are silently bringing their iron loads to the Croatian ports of Split and Ploce, whence the military equipment is transported to the Muslims and Croats. What is the whole thing about?

Armaments

The military airport near Tuzla and the sports airport in Zivinice, which are not adequate for deliveries of military equipment, were opened to traffic at a time when Alija Izetbegovic's forces could not be supplied with weapons in any other way, because relations between the Croats and the Muslims were at such a level that the weapons could not reach the Muslims via Croatian

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territory or when the "tolls" on Croatian roads were so high that the Muslims were receiving only 30 to 50 percent of the weapons sent to them (after the Washington Agreement had been signed).

Last month, however, when Croat-Muslim relations were at their lowest level since the establishment of the Federation, a meeting between the Federation leaders was held in Munich under the auspices of Washington and Bonn, predominantly devoted to military issues. It was agreed there that the Croats should stop opening shipments addressed to the Muslims, an agreement that has been respected ever since, except for a few incidents in Mostar. The Muslims have in return promised to open a front in Bosnia before the almost certain Croatian attack on the western borders of the Republic of Serbian Krajina starts. The front should be broad enough to encompass all the military activities in the Srpska republic, thus preventing General Ratko Mladic and his forces from helping Knin. The result of these arrangements is the agreement on the establishment of a joint staff of Croatian-Muslim forces, the chief of which should be Gen. Janko Bobetko, with Rasim Delic and Tihomir Blaskic, the latter being commander of the Croatian Defense Council [HVO], as his deputies.

There was not much mutual trust between the Croats and the Muslims this time, so Bobetko, Delic, and Blaskic had to meet several times in Mostar, Split, and Zagreb over the last month and a half to discuss the details of the six-stage plan for joint actions, which is published by JAVNOST through a reliable source.

Scenario

The first part of the plan refers to the free passage of arms from Islamic countries for the Bosnian Muslims through Croatian territories. Bobetko, Delic, and Blaskic agreed that only a quarter of the military equipment transported by land would remain at certain points in Croatia. Apart from that, the Croats guaranteed full logistical support for the 5th Corps in the Bihac enclave, which will be supplied from the air if possible. Delic's proposal to the Croats to grant groups of volunteers from Islamic countries free passage was not accepted on Blaskic's insistence, who explained this with the negative attitude that the Bosnian Croats had developed toward the mujahidin during their mutual one-year war.

The second stage of the agreement foresees a Muslim offensive on elevated strategic points under Serbian control in Bosnia. It was not easy to achieve agreement on this point. Whereas the Croatian officers proposed that low-intensity pressure be only exerted by Muslim forces at this stage, which should keep most of the Serbian forces busy and which could be stepped up if necessary, Delic wanted the Muslims to attack Mts. Vlasic, Igman, Bjelasnica, Treskavica, Majevica, and Ozren together with the Croats "with the aim of taking them."

In the end, the commanders formed a compromise: A strike will be made against these mountains "with the aim of taking them," but without the Croats, since the Croatian enclaves in Kiseljak and Zepce would be placed into "the position of Serbian hostages," as Blaskic explained. Instead of that, the HVO guaranteed Muslim formations free passage through its territory, under the condition, however, that there are no military activities.

Knin

Joint Croatian-Muslim activities are at this stage foreseen only on Mt. Velebit and in the direction of [Bosansko] Grahovo, where the 7th Muslim Corps (of Travnik) and four Croatian brigades will attempt to occupy strategic positions in order to seize full artillery control over the Knin valley and to cut off the main road connecting Knin with the Banja Luka region and through it with the world.

In the next, third stage, the Muslims would intensify their pressure on the borders of the Srpska republic, whereas the Croatian Army would launch a major attack on Knin with all available forces, with the aim of occupying as much Serbian territory as possible within the shortest period of time.

In the fourth stage, in which the HVO would throw all its available arms into the war in Bosnia, the Posavina corridor would be cut and there would be strikes against the western and northwestern part of Serbian Sarajevo, the aim of which would be to break the Serbian ring around the city from both inside and outside. In the fifth and sixth stage of the joint plan, the Croats plan to carry out the mopping up of Knin, and in Bosnia, they would, together with the Muslims, try to cut vital Serbian communications and expel Serbian forces from the towns.

The intentions of the military leadership of the Croatian-Muslim axis are clear at first sight. Bobetko and Delic completely agree on only one thing: The Serbs must be defeated. The question is, however, whether this is possible, not only because of Serbian strength but also because of the different "mathematics" that the leaders are applying. It is beyond doubt that every military alliance has political advantages, but Delic believes that he will have enough soldiers and increasing quantities of weapons so as to be able to carry out successful maneuvers throughout the territory and make his forces strategically operational to a certain degree, supported by educated Croatian officers, naturally—an aim that he has not been able to achieve so far. According to some announcements from Sarajevo, however, there is a powerful faction in the Muslim leadership, led by Izetbegovic, which thinks that the agreement is unfavorable for the Muslims and that Delic's signature should be withdrawn. [passage omitted]

Army, HVO View Disappearance of Santic

AU2003220595 Sarajevo Radio Bosnia-Herzegovina Network in Serbo-Croatian 1800 GMT 20 Mar 95

[FBIS Translated Text] We have just received an announcement from the Army Press Center about the case of Major General Vlado Santic.

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On the occasion of the disappearance of Maj. Gen. Santic, a joint commission consisting of representatives of the General Staff of the Army of the Republic of Bosnia-Herzegovina, the joint staff of the Army of the Republic of Bosnia-Herzegovina and the Croatian Defense Council [HVO], the Ministry of Internal Affairs of the Republic of Bosnia-Herzegovina, and the Headquarters of the HVO met at the Command of the 5th Corps of the Bosnia-Herzegovina Army in Bihac on 17 and 18 March.

Considering the overall circumstances of the disappearance of Maj. Gen. Santic, and according to the reconstruction of events that was carried out, there are founded suspicions that the crime may have been committed by three members of the 502d Hill Brigade of the 5th Corps of the Bosnia-Herzegovina Army: Jasmin Topal, Ramiz Bajramovic, and Ramiz Ruznic. For principled reasons and according to the Law on Criminal Procedure, the said people have been detained.

So far, there is no material evidence as to who has committed the criminal act nor is there any reliable material evidence as to whether Maj. Gen. Vlado Santic was really murdered. The investigation bodies will continue work on shedding light on these facts, trying to collect material evidence and, in accordance with this, treating the perpetrators in an adequate legal and criminal manner. Apart from the measures taken against the suspected persons, the investigation bodies are also taking other measures and the public will be given timely information about the results.

The entire case has been very difficult for both the Bosniak and Croatian peoples, as its politicization is meant to slow down the positive results in the relations between the two peoples, particularly because all this is taking place at the time of significant military and political agreements being reached in Zagreb and Bonn that represent significant steps toward establishing the power of the Federation of Bosnia-Herzegovina as a joint interest of the Croatian and Bosniak peoples.

All members of the joint commission have assessed that the relations between the Bosniaks and Croats in Bihac District are very good and that their quality may serve as a model of joint life in other regions. It was also asserted that the relations between the Command of the 5th Corps of the Bosnia-Herzegovina Army and the Headquarters of the HVO in Bihac are very correct and that there is no political or military motive behind the Santic case.

One of the commission's evaluations that is very significant is that military and civilian factors of the Bihac District and representatives of religious institutions have been taking all measures to prevent this case from marring the good relations between the Bosniak and Croatian peoples and affecting the combat readiness and good cooperation between the Bosnia-Herzegovina Army and the HVO in their struggle against the joint aggressor.

Croats on Muslim 'Hypocrisy'

LD2003205395 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 20 Mar 95

[FBIS Translated Text] Our correspondent Ivan Kristic has a commentary in connection with yesterday's condolences which Ejup Ganic sent to the family of Major General Vlado Santic and the political leadership of the Croat people in Bosnia-Herzegovina.

[Kristic] Fears that the worst had happened to the Croat defense Council's Gen. Vlado Santic have been confirmed by the hypocritical condolences sent by Ejup Ganic. His condolences really are the height of hyprocrisy—a hypocrisy which the Muslim political leadership has been demonstrating so arrogantly right from the beginning of the arrest and murder of Gen. Santic.

Ganic is truly known as a (?false) character who over the past two or three years has been a Yugoslav, a Muslim, and a Bosniak; and over the coming two or three years he could be all of these in reverse order without batting an eyelid. It is not difficult for him to use the same fanaticism with which he threatened to burn down Herceg-Bosna and now apparently turn it round to advocate a federation of equal peoples.

At the same time the supreme master of all the fundamentalist scoundrels who issued the murder order to liquidate Vlado Santic just as the Bonn Agreement was being signed has remained concealed and wrapped in silence—something which nevertheless is tantamount to admitting the crime.

Should 10 days be allowed to pass before condolences are expressed? And there are still no official reports about the murder. The arrest and imprisonment of three unfortunate scapegoats who only tightened the noose—and not the one who sent the noose and ordered the assassination—is a demonstration of the well-documented oriental fickleness of Islamic hypocrisy.

At the same time, the one without whose explicit approval this could not have happened continues not to mention either the Croats in Bosnia-Herzegovina or the federation, while he knows nothing at all about a confederation.

His lackeys and servants in their own form of Karagoz [puppet] theater are acting out their sincere orientation toward a federation, using Croatia and Herceg-Bosna along the way merely as an area through which and from which they can obtain goods and arms for the continuation of the holy war and the creation of a republic.

In keeping with his inconsistencies, the author of the Islamic Declaration is consistent in only one thing: He is working for the implementation of the principles in his program for which he also served a prison sentence.

There are no reactions from Croat politicians in Bosnia-Herzegovina today, appropriately enough. And how can

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one expect any from people who first sign every agreement and only afterwards analyze them and see that they are outside the scope of the Washington Agreement and the Constitution of the Federation. This, for example, was how the decree on the federal police was accepted, although the Constitution clearly sets out that the police are to be organized by the grand counties.

Ganic, it seems, is right. Santic has been murdered but we must move forward. The only thing we do not know is which Croat will be the next to pay with his head for the ill-conceived and wrong-headed system of the Bosnia-Herzegovina Federation.

Croats Deny Muslim Allegations About Import Duty

LD2003194495 Mostar Croatian Radio Herzeg-Bosna in Serbo-Croatian 1700 GMT 20 Mar 95

[Quotation marks denote recorded passages]

[FBIS Translated Excerpt] Muslim leaders Haris Silajdzic and Alija Izetbegovic have again accused the Croat side of levying import duties on goods passing through the Croat republic of Herceg-Bosna to the Muslim Government-held areas of Bosnia-Herzegovina. Here is what Neven Tomic, Herceg-Bosna minister of finance and deputy minister of finance in the Federal Government of Bosnia-Herzegovina, told our journalist Milan Sutalo, in connection with these allegations:

[Tomic] "Let me first tell you that the accusations are unfounded and arbitrary and are being used purely for petty political purposes and have no real connection with the real state of affairs on the ground."

[Sutalo] What has actually happened? The government of the Croat republic of Herceg-Bosna passed a regulation on temporary measures for the import and trade of goods which came into effect on 1 March 1995. The aim of this regulation, Minister Tomic says, is to prevent the situation which has prevailed on a grand scale up to now, whereby products fictitiously went to the Muslim army-controlled territory, while in reality they remained on the territory of Herceg-Bosna, by which the payment of taxes and duties was evaded. In order to gain a complete insight into where the goods really go, the regulation sets out the obligation to sign an IOU or pay a deposit equivalent to 20 percent of the overall value of the goods, Tomic says, explaining:

[Tomic] "When the goods reach their destination and are taxed there, be it in Tuzla, Zenica and so on, we do not activate this guarantee, or if a deposit has been paid it is given back to the depositor. This regulation has been implemented; we have not had any complaints from retailers, but we have had some from political circles." [passage omitted]

[Sutalo] The truth is, as Tomic said, that not a single kuna has been earned on goods passing into Muslim territories; after the Bonn Agreement, the 1 percent which was levied on the transport of goods was abolished. Through these unfounded accusations the Muslim side, according to Tomic, wishes to put the blame on the Croat side for the failure to implement the agreement on the federation. However, steps have already been taken to inform the public and international players about the real state of affairs.

UN: Serbs Claim Observer Part of 'Spy Group'

AU2003132295 Paris AFP in English 1226 GMT 20 Mar 95

[FBIS Transcribed Text] Sarajevo, March 20 (AFP)—Bosnian Serbs have accused a Russian UN military observer they arrested of belonging to a spy group, a UN Protection Force (UNPROFOR) spokesman said here Monday.

The Serbs did not accuse Major Alexey Nikolyenko, 32, of being a spy, but said he had been a member of a UN military observer "team in Brcko which was evicted from Serb-held territory for allegedly passing information to the enemy," Aleksandr Ivanko said. As such he was "persona non grata" in Serb-held territory, Ivanko said. Brcko, in the north of the country, is located in the strategically-important Posavina corridor which links Serb-held territories in west and east Bosnia.

Nikolyenko, who has been based in Tuzla, central Bosnia, since November was seized at gunpoint by the Serbs at a checkpoint outside Sarajevo on Saturday. A Norwegian military observer travelling with him was released. UNPROFOR has demanded his immediate release, terming the arrest "an outrageous act of harassment."

Genocide Reported Against Banja Luka Croats

95BA0187D Zagreb VJESNIK in Serbo-Croatian 19 Feb 95 p 5

[Article by M.Z.: "We Are All Responsible"]

[FBIS Translated Text] In connection with the initiative taken to aid Croats in the Banja Luka region, Dr. Slobodan Lang, special adviser to President Tudjman for humanitarian affairs, has said that the Croats in the Banja Luka region are subject to the worst form of genocide.

Dr. Lang wonders whether the Croatian and international communities are able to do anything for those people. "After all," Dr. Lang said, "awareness needs to be awakened. This community has elevated Bishop Franjo Komaric to the level of a hero, but at the same time it has left him to suffer. There are neither professional nor government organizations in Croatia that have aid to Croats in Banja Luka on their agenda."

Dr. Lang continued: "On the basis of Article 10 of the Constitution, Croatia has a duty to be concerned about Croats outside the homeland. Why is there no concern about Croats in the Banja Luka region? I am putting that

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question to Minister Granic, chairman of the Human Rights Committee of the Croatian parliament, to Dr. Kostovic, Dr. Rebic, Dr. Degan, and Dr. Vukas, to Croatian humanitarian organizations and physicians, to Matica Hrvatska, to the academy, to international humanitarian organizations that are part of the United Nations, to the World Health Organization, to UNICEF.... I am also putting that question to Serbian organizations within Croatia, to Serbian political parties, to members of the Croatian parliament, to the Orthodox Church, to Serbian humanists and intellectuals.

"From now on, they cannot say that they did not know. As of today, you are responsible in your thoughts, your words, your deeds, and your omission," Dr. Slobodan Lang said.

Herceg-Bosna Reconstruction Minister Interviewed

95BA0187C Zagreb VJESNIK in Serbo-Croatian 19 Feb 95 p 4

[Interview with Eng. Zulfo Robovic, minister for reconstruction and development of the Croatian republic of Herceg-Bosna, by Salih Zvizdic; place and date not given: "Only 10 Percent in Operation"]

[FBIS Translated Text] Eng. Zulfo Robovic, minister of reconstruction and development of the HR HB [Croatian republic of Herceg-Bosna], entered the government of Herceg-Bosna in November 1993 as a representative of the Bosnjak Muslims. Before that, this young engineer (born in 1958 in Capljina, he lives in Mostar, he is married with one child) was managing director of the public firm Electric Power Industry of Herceg-Bosna. He does not belong to any party.

He says that the ministry that he heads has so far drafted about 250 programs for rebuilding the economy and medical, cultural, educational, and other institutions, as well as infrastructural facilities. Already, 50 schools, kindergartens, cultural institutions, and health centers have been rebuilt, along with about 700 housing units and family dwellings from Zepce and Uskoplje to Stolac and Neum.

Work has begun to build a water supply system in Ravno Opstina, which has 22 km of pipeline; work is being completed on the Stolac water supply system, and the population there, after drinking water directly from the Bregava River for four years, will finally have healthy and safe drinking water. Work is also nearing completion on the 6.7-km water supply system in Posusje Opstina, and in Orasje, Novi Travnik, Kresevo, and Busovaca Opstinas work has also begun or is beginning on water supply systems. The government has approved a total of about 3 million German marks [DM] for all those water supply projects, but in addition there is also substantial international assistance from the organizations IMG [expansion not given], LWF [expansion not given], ODA [Overseas Development Association], and IRC [expansion not given].

Eng. Robovic particularly emphasizes the short time it took to provide electricity, water, and telecommunications to Kupres. Aside from that, high-voltage power transmission lines have been repaired everywhere, and the distribution network has been repaired over almost the entire area of the HR HB.

Volume Power Consumers

[Zvizdic] Where did the government get the money to rebuild these facilities?

[Robovic] Mostly from the budget, with financing limited to the money coming in, but we also get considerable aid from international organizations.

[Zvizdic] What financial support has come from Croatia?

[Robovic] We are constantly strengthening cooperation with Croatia's financial institutions, above all with the Croatian Credit Bank for Reconstruction and Development. Scant funds have been arriving recently, but we have firm promises, which we believe in.

[Zvizdic] How far have you gone in rebuilding existing economic capacities?

[Robovic] About 10 percent of Herceg-Bosna's capacity is in operation, and employment is at the same level. The trade and hostelry sectors are the most highly developed, but things are not so good with production.

[Zvizdic] You have two large combines: the Aluminum Combine, which before the war employed 5,000 people, and the former military "special-purpose" firm Sokol, which once had a work force of 4,000. What is their situation?

[Robovic] Both are volume power consumers, and we do not have enough power, so that this is a big problem, along with others, in reactivating that production. The most important thing is that the Aluminum Combine, which the Serbs intended to completely demolish, was rescued, in that the officials, Croats and Bosnjak Muslims, prevented the molten aluminum from hardening in the cells. Thus, vital equipment was preserved, although with their shells the Serbs inflicted quite a bit of damage on us, mainly to building structures. This year, we hope, if there is peace and good fortune, a minor section of that combine will nevertheless resume production. Production is also being revived at Sokol, where about 500 employees are already manufacturing civilian refrigeration equipment, transmissions, drive shafts, and similar products.

[Zvizdic] Before the war Bosnia-Herzegovina was a treasure house of electric power for the entire former Yugoslavia, but now there is not enough power even in Herceg-Bosna, or in the region under control of the Army of Bosnia-Herzegovina. How are sources of power distributed now in Bosnia-Herzegovina?

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[Robovic] Only the Rama Hydro plant is in operation in Herceg-Bosna; at the moment, because of low water, it is not generating much power. We also have under control of the HVO [Croatian Defense Council] the reversible Capljina pumped storage plant, which has no water because the Trebinje Serbs are holding it back, and we get water only when there is a surplus that the Serbs cannot hold back and it spills over toward Capljina. All of Herceg-Bosna is at the moment mainly dependent on power imported from Croatia, because although the Jablanica and Grabovica hydro plants in the rest of Bosnia-Herzegovina are in operation, there is not much water there, so that there is not enough power even for them. Two hydro plants on the Neretva, Mostar and Salakovac, the former of which is on the territory of the Army of Bosnia-Herzegovina, and the second in the demarcation zone, were damaged in the war and are not in operation. Those two hydro plants have vital importance to the entire Federation of Bosnia-Herzegovina, but so far nothing has been done to rebuild them, mainly because of undefined relations between the HR HB and the Bosnjak Muslim side, although back in 1992 the Republic of Croatia furnished full support to rebuilding hydro and thermal plants in Bosnia-Herzegovina. There is an endless tug-of-war, and the hydro plants stand idle, although we all need electric power as much as we do air and drinking water.

Good Cooperation With Koschnick

[Zvizdic] On the territory under control of the Army of Bosnia-Herzegovina, there are two large coal-fired thermal plants, at Kakanj and Tuzla. What about them?

[Robovic] They are both in operation, but output is minimal, because there is no coal, although the mines are located alongside those power plants. I think that the authorities there are not making enough effort to activate the miners and specialized personnel. In any case, until power production in Bosnia's thermal plants is increased, the entire area of the Federation will be in an unfavorable position concerning the supply of power.

[Zvizdic] How is the supply of power and water in Mostar?

[Robovic] Mainly bad, although the western part of Mostar is in a somewhat more favorable position than the eastern part, which suffered greatly in the war. The European Union [EU] and municipal authorities are working hard to meet the needs for power and water in both those areas.

[Zvizdic] How is economic cooperation of your ministry, and Mostar authorities and the government of the HR HB in general, with the EU?

[Robovic] Cooperation with the EU, especially with Hans Koschnick, is very good: In both parts of the city they are rapidly rebuilding schools and repairing residential, economic, and other structures. They are helping us a great deal. Right now they are building four bridges that have vital importance to the area of Mostar. The bridge at Potoci, in an area under control of the HVO, will soon be completed, and the large "customs bridge," which links the two areas, will be completed next year, which is when the mandate of the EU also comes to an end. One bridge has already been completed in the city in the area under control of the Army of Bosnia-Herzegovina. As soon as the two railroad bridges being worked on intensively are completed, and this is scheduled for the first half of this year, rail traffic will begin from the port of Ploce, traveling via Mostar northward all the way to Sarajevo, that is, to the Hadzici rail station. Work is being done on those bridge projects by construction firms from Croatia, which are being paid in foreign exchange: Konstruktor and Brodosplit-Inzenjering from Split and Viadukt from Zagreb.

Good Reception of TV Signals in Sarajevo

95BA0187E Zagreb VJESNIK in Serbo-Croatian 23 Feb 95 p 7

[Article by Alenko Zornija: "A City Flooded With TV Signals"]

[FBIS Translated Text] Sarajevo—It is not very well-known that the reception of the first channel of Croatian Television [HTV] is excellent in Sarajevo. It is broadcast from transmitters in neighboring Kiseljak, a small Croatian town located some 30 km northwest of Sarajevo. In most of the capital the reception is excellent, and in some neighborhoods it is almost equal to the quality from state television of Bosnia-Herzegovina.

For a long time, viewers were able to watch only the satellite program. However, since the link to Kiseljak was established a few months ago, there has been broadcasting throughout the day, so that citizens of Sarajevo have been watching the popular "Santa Barbara" series, the unsurpassed Oliver Mlakar in "Wheel of Fortune," and the film program of HTV. Along with popular news programs like "TV Parliament" and "Comparing Pictures," there are also entertainment programs: "Seventh Night" and others that have even gone on the satellite—that is why HTV programs have a large audience in the Bosnian capital. Of course, another reason for the large audience is the music—because popular Croatian pop-rock performers, E.T. Oliver, the Dirty Bunch, Alka, Cassandra, the Gibbons...are real stars with young people in Sarajevo.

HTV First Channel Is a Favorite

But the broadcasts of HTV and RTV [Radio-Television] of Bosnia-Herzegovina are not alone on the airwaves. What is more, one might say that the city is flooded with TV signals. No fewer than six channels can be found on a television set, which is twice as many as before the war, when there were only three channels from what then was TV Sarajevo. It is clear that the reason for this is the immense interest in the media space in Sarajevo. The

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recent debate between Dr. Haris Silajdzic, prime minister, and Amila Omersoftic, director of RTV Bosnia-Herzegovina, showed the importance of TV media and how much attention is being paid it.

After constant supply of electric power to households was reestablished in mid-January, that importance became still greater, because television can now be watched by practically all inhabitants of the capital, not just those who have priority power supply. Before that, the radio was the main source of news, because to listen, say, with a transistor radio, all one needed was ordinary batteries, which somehow could be obtained.

Given the lack of money and space for other entertainment in the devastated city, watching television is the best way of "spending" free time. This can explain the fact that of all the broadcasting the audience is largest for TV Hyatt, a station that in addition to news programs also broadcasts foreign sports and entertainment,, including the Croatian program "Was Someone Looking for Me." Hyatt also shows the most recent world film hits on videocassette, which, of course, does not conform to laws on protection of copyrights, but because under present conditions the Law on Radiobroadcasting has only symbolic importance, this kind of "piracy" is being tolerated. Especially because RTV Bosnia-Herzegovina has a similar practice to a large extent. Only recently have rights been purchased to certain transmissions of the world skiing cup, some soccer games....

International Associations Behind Some

Aside from RTV Bosnia-Herzegovina and Hyatt, the recently established Studio 99 Independent Television has also been established in Sarajevo; it is supposed to follow the broadcasting policy of the radio station and association of citizens bearing the same name. Support for establishment of this television station came from certain international associations. Adil Kulenovic, former communist official who heads Studio 99, was recently criticized very severely by Dr. Enes Karic, minister of culture, and Kulenovic himself does not take very great pains to refute assertions that the governments of France and England are behind his media project, allegedly out of a desire to promote their own interests in Bosnia-Herzegovina in this way.

Aside from stations that produce their own programming in Sarajevo, it is also possible to watch two channels in Sarajevo that are broadcast from captured transmissions on Trebevic, which is above Sarajevo—the broadcasting of TV Belgrade and so-called Pale state television. TV Belgrade has some viewers when it is broadcasting its own production of newly composed folk music, because, strange as it may seem, even after three years of bloody warfare there are still a large number of Muslims who enjoy listening to Serbian "folk music." Thus, some programs of TV Belgrade that exceed the limits of good taste, like "Folk-Metar" and "Summer on the Ada," have been among those with the largest audience in Sarajevo, which Sarajevo newspapers have noted with regret.

"Serbian television" from Pale is mainly done by Serbian personnel who fled from TV Sarajevo, along with the usual journalists for the territories overseen by Karadzic's army. This broadcasting has been viewed a great deal in Sarajevo, especially at the beginning of the war, mainly because of the amateurish mistakes in production and style of expression, which were really reminiscent of authentic primitive television and evoked salvos of laughter like good comedy series. During the fierce conflicts of the war, "Deer" was also interesting because of frames shot "from the other side" of the demarcation line. That is, the Serbian cameramen sadistically enjoyed showing free parts of Sarajevo that could be seen from the chetnik positions in the vicinity. Usually, those frames were shot from sniper positions of the army of the Srpska republic, so that they were a reliable indicator to the people of Sarajevo where they did not dare to go.... Following the tragic end of the black "star" of that television station, Risto Doga, Pale television altogether lost its viewers and influence on the nerves of the citizens of Sarajevo.

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Tudjman Envoy, Stoltenberg on 'New UN Mandate'

LD2103094595 Zagreb Radio Croatia Network in Serbo-Croatian 0900 GMT 21 Mar 95

[FBIS Translated Text] Talks were held in Zagreb this morning between Thorvald Stoltenberg, UN peace mediator in former Yugoslavia, and Hrvoje Sarinic, head of the office of the president of the Republic and the Croatian state's chief negotiator with rebel Croatian Serbs. Following the talks, Stoltenberg said that the meeting, which lasted for over an hour, dealt with the implementation of the new UN mandate in Croatia. He said he hopes that the current proposal will provide a good basis for defining the final details of the mandate.

Sarinic, on the other hand, added that the new mandate's emphasis will be placed on international control of the Croatian border in the areas occupied by rebel Croatian Serbs. He also said that he hopes that the UN Security Council will pass a resolution outlining the new mandate by the end of March.

Martic, Stoltenberg To Begin 2d Round of Talks

LD2103101495 Belgrade TANJUG Domestic Service in Serbo-Croatian 0855 GMT 21 Mar 95

[FBIS Translated Excerpt] Belgrade, 21 Mar (TANJUG)—Milan Martic, the president of the republic of Serbian Krajina [RSK], will again today have a meeting in Belgrade with Thorvald Stoltenberg, the cochairman of the conference on former Yugoslavia, TANJUG has learned from sources close to the office of the RSK president.

This will be the second round of talks on the future of UNPROFOR [UN Protection Force]. The first round took place in Belgrade yesterday when Martic and Stoltenberg opened talks on extending UNPROFOR's mandate in the protected areas of Serbian Krajina.

Late last night Stoltenberg had a meeting with the Croatian President Franjo Tudjman. According to reports from Zagreb, Tudjman told Stoltenberg that Croatia would agree on 5,000 UN peacekeepers staying in the protected area, but that 7,000 would have to leave. [passage omitted]

Martic on UN Deployment

AU2003202395 Belgrade Radio Beograd Network in Serbo-Croatian 1800 GMT 20 Mar 95

[Report by Jelena Vidic on statements by Milan Martic, president of the republic of Serbian Krajina [RSK], and Thorvald Stoltenberg, cochairman of the International Conference on the Former Yugoslavia, following talks in Belgrade on 20 March—recorded; Stoltenberg speaks in English fading into Vidic's report in Serbo-Croatian]

[FBIS Translated Text] [Vidic] Milan Martic, president of the RSK, said that today's meeting with Thorvald Stoltenberg, cochairman of the International Conference on the Former Yugoslavia, is the first in a series of meetings on the extension of the UN Protection Force [UNPROFOR] mandate throughout the RSK.

[Martic] We have stated our position—that we want the peace forces to remain in the RSK—since both the people and the leadership favor peace. That is why we strove to keep them there. Of course, we want UNPROFOR to stay under the same mandate—that is, to work according to the Vance plan and to remain in the RSK as protection forces, to work in line with the basic points without prejudging political solutions, and to stay until political solutions are found in a peaceful way.

Today was one in a series of talks, and our proposals have been conveyed to Mr. Stoltenberg. These proposals now go to Zagreb, to Mr. Tudjman. I do not know at present what Croatia's position will be regarding the proposals. However, judging by the reports lately published in the Croatian press, reports stating that UNPROFOR has ended its mission, that it was changing its mandate, that the UN Protection Areas no longer exist, that the peace forces are to be deployed along the—as they say—internationally recognized borders with the Srpska republic and the Federal Republic of Yugoslavia, that is absolutely untrue. Personally, I am not worried by it at all, not after today's talks.

We too have full say in the decision to keep the peace forces in the RSK and Croatia—that is, we are treated equally and I believe that a final solution will be reached in a series of talks, the first of which was held today, and which will certainly not be to the disadvantage of the people in the RSK.

[Vidic] Martic also answered the question as to whether the name UN Forces in the Republic of Croatia was acceptable to the RSK.

[Martic] No. That is one of the issues with which we disagree. We do not want this name because it prejudges political solutions. We demand that protection forces be a part of the name.

[Vidic] Thorvald Stoltenberg said that the search for a solution was based on three points:

[Stoltenberg] The Vance plan....

[Vidic] The Vance plan, which forms the basis for our work, followed by the March 1994 cease-fire agreement and the December 1994 economic agreement. I believe that the implementation of these agreements is in the interest of all peoples living in the area and it is of vital significance for everyone involved. That is why I believe that we shall reach an agreement that will be acceptable to all and that will allow the UN forces in the area to be as efficient as possible. Stoltenberg said that for the time being he did not know what the name of the new, changed UNPROFOR mandate would be, because this depended on the decision of the UN Secretary General.

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When requested to comment on his meeting with President Martic, Stoltenberg said:

[Stoltenberg] I basically listened to the ideas and positions that will be significant for my future work, and I concentrated on the nature of the mandate that would be acceptable to all the sides.

RSK Minister Reportedly Arrested in Belgrade

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[FBIS Translated Text] According to the evening news of the independent Belgrade station Studio B, Rade Tanjga, defense minister of the self-proclaimed republic of Serbian Krajina in Croatia, has been arrested in Belgrade.

Tanjga is known as one of the most faithful men of Milan Martic, president of the so-called republic of Serbian Krajina. Recently, Tanjga, together with Martic, opposed the demand of Serbian President Slobodan Milosevic for the Knin leadership to accept a changed UNPROFOR [UN Protection Force] mandate in Croatia.

Report Details Privatization 'Fiasco' on Economy

AU2003135295

[FBIS Editorial Report] Zagreb GLOBUS in Croatian on 10 March on pages 9 and 10 carries a report by Ratko Boskovic analyzing the Croatian property transformation and new draft law on privatization. He says that the new law "raises more problems than it solves, introducing in nearly every one of its articles the broadest authority for arbitrary behavior by the state administration, thus creating room for wilfullness, abuse, and corruption."

Boskovic says that the Privatization Ministry, headed by Ivan Penic, "has proposed a law by which the capital that remains in the Privatization Fund after the property transformation of social enterprises, as well as that of the so-called public enterprises, that is, those enterprises owned by the Republic of Croatia, would be privatized. The preamble to the law states that the Fund's portfolio contains stocks and part-ownerships (udjel) of the companies nominally worth (or estimated at) 24 billion kunas, that is, 6.7 billion German marks (DM)." The law does not specify the capital value of the public enterprises; however, Boskovic recalls the 1992 valuation carried out at the request of the IMF, which at the time estimated that companies such as INA (oil corporation), the Croatian Power Industry, Croatian Railroads, Croatian Roads, Croatian Forests, Jadrolinija, Narodne Novine, Croatian Radio and Television, the Croatian Water Industry, and the Croatian Post Office were worth DM28 billion.

To put the proposed law into perspective, Boskovic looks back at the property transformation of the enterprises and says:

"Of the nearly 2,500 enterprises transformed, approximately 1,200 were privatized entirely; that is, the state does not have any stocks nor the slightest degree of part-ownership in them. This is the segment of economy that one can call—despite all the goings-on, scandals, and legal processes that it underwent—the success of the Croatian privatization model. The only This is, therefore, 'the handicraft' economy.

"The enterprises with capital in the region of DM10 million have already posed an insoluble problem for the Croatian privatization model. They, numbering nearly 900 representing the most valuable and the most important segment of the economy, have been only semiprivatized and the private part does not have a single percent of majority shareholding. Today, these companies are paralyzed by the conflicting interests of the private owners and the state and are being dragged into intrigues between coalitions of political allies, and thus represent a real battlefield for gaining predominance, power, and vast financial gains.

"The semiprivatization of these companies has inflicted huge and fatal damage on the Croatian economy and the creators of this fiasco are deluding themselves if they think that they will escape their historical responsibility.

"What is left are the 400 biggest enterprises, usually the former combines [kombinat], industrial and tourist conglomerates, and giant monopolies, with assets in the region of DM25 million, in which property transformation has left but a slight trace of privatization. Only 15 percent of their capital was sold, and on the opposite side to the state and its representatives there are approximately 300 outvoted, disappointed, and quite furious private stockholders, who most probably long ago stopped paying altogether for their shares.

"Actually, out of DM22 billion of social capital put up for property transformation only some DM2 to DM7 billion were privatized properly, securing a sufficient preponderance of private owners. Some DM15 to DM20 billion plus DM28 billion in state enterprises remains in state hands. Dealing with these assets, worth DM40 to DM50 billion, is, therefore, the task that Croatian privatization faces after the nonsensical transformation that ruined the nation's entrepreneurial structure completely.

"By exposing the need to privatize only DM6.7 billion from the Fund's portfolio, the draft law on privatization fulfills the most pressing political task: to reduce and cover up the size of Croatia's privatization problems. Once this is accomplished, its authors believe, all the other frauds contained in this draft will pass more easily."

Boskovic then analyzes the main points of the draft law. As he says, although the law, to prevent managers from purchasing companies with social capital, stipulates in Article 4 that "purchase of stocks or part-ownership in a legal entity cannot be financed, credited, or guaranteed by the funds of this same legal entity," past experience in

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transformation suggests that this provision will not prevent the depletion of social assets as the same objective can be accomplished "in more subtle ways," often with the help of intermediary agents abroad, which are beyond the reach of the Croatian authorities. However, according to Boskovic, the main shortcoming of the law lies in the provision that "the capital accumulated in the Privatization Fund will be exclusively sold to ordinary citizens and only to a small extent given free of charge to the lower social classes." What the author finds astonishing is an attempt to "sell the citizens what they have themselves created so that the assets (in the form of currency rather than factories) will remain with the state." In reality, "the sale will again mean that only those to whom the big state banks will be willing to grant loans, and these certainly will not include those whom the authorities do not like, will be able to buy."

With this law, Boskovic writes, "the authorities of the Croatian Democratic Community and the administration of President Tudjman (this, most certainly, is not a personal orientation of Minister Penic or Prime Minister Valentic) have coldly ignored" the expert objections to the Croatian privatization model, consenting only to "cosmetic interventions," such as extension of the repayment period, the sale of stocks for less than the nominal price, and the reinvestment of capital accumulated in this manner in the areas that generated it. Boskovic here draws attention to the "dark face" of this latest provision, which will turn the state into a sort of investor in reconstruction and economic projects. "Does one really need to waste ink to prove for the umpteenth time that the state is a worse investor than an entrepreneur," he exclaims.

As he continues, the administration will, according to the new law, decide on the following issues:

"Which stocks will be sold and which not, which stocks will be used to settle debts, and which will be leased or ceded (Article 4).

"Which stocks will be sold by auction, and which through direct agreement or on credit (Article 7).

"Which stocks will be sold at a price lower than the nominal price (Article 8).

"Under what conditions enterprises will be leased (Article 10) and under what conditions they will be sold with delayed payments (Article 12).

"Which state enterprises will be sold (Article 16).

"How public enterprises will be divided into technological groups, which will then be sold separately (Article 20)."

Luckily, Boskovic writes, the principle of automatism will be applied in the free distribution of stocks to military and civilian war invalids, displaced persons, and members of the families of war victims, and "the government will not need to approve each of the 300,000 cases individually." However, Boskovic deems this move "flimsy demagoguery and common nonsense," doubting than the refugees will ever turn into businessmen or that this will alleviate their "material hardships." "The shares that have already been given to the war invalids have not yielded dividends and in the rare cases when they could be cashed in they were not worth more than a quarter of their nominal price," Boskovic adds.

His belief is that the law, as it stands, will probably have to be reviewed by the Constitutional Court. Namely, he concludes, "if a group of citizens is given outstanding opportunities in privatization (prolonged repayment, additional discounts on stocks, and suchlike), while the rest do not have the slightest chance of enjoying them, does this not mean a violation of the constitutional principle of citizens' equality before the law, even if the law in question is the Law on Privatization?"

General Deems Serbian Armies Superior

95BA0179D Split FERAL TRIBUNE in Serbo-Croatian 20 Feb 95 pp 7-8

[Interview with Major General Karl Gorinsek (Ret.) by Marinko Culic; place and date not given: "The Serbs Are Three Times as Strong"]

[FBIS Translated Text] [Culic] What is your assessment of the statement by Corps General Janko Bobetko that the number of tanks and cannon in a possible war with the FRY [Federal Republic of Yugoslavia] will not be important? Is this allowable encouragement or irresponsible boasting?

[Gorinsek] I see this as a highly debatable statement. Every military professional, especially a strategist, knows that relations in military equipment have great importance and one does not dare to thoughtlessly underestimate such superiority on the Serbian side when you add up the strengths of all three of its armies. I do not mean by this to underestimate the importance of training, discipline, morale, and so on, but there really is no justification for underestimating the importance of weapons.

[Culic] We have your table on the relative strengths, but could you also describe to us in words what that relationship is?

[Gorinsek] Strength can be compared at several levels: global, local, and along the main axes of offensive operation of the two sides. It would take us too far afield to analyze each of them, but if we just stick to the overall level, then it is markedly unfavorable for the Croatian and Bosnian Muslim side. We are talking about a ratio of approximately 3:1 in favor of the ground forces of the other side, and the relationship with respect to some categories of armament is far worse than that. I am talking about the average, which contains all elements, from the number and quality of personnel to the number and quality of weapons. Here, we should say that the

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Serbian side has managed to improve many weapons of the older generation, especially the tanks, which now have improved sighting systems (automatic firing).

U.S. Aid

[Culic] Let us suppose the war begins in two weeks. What would it be like?

[Gorinsek] It is very thankless to predict some things, especially when we do not know what will happen to the UNPROFOR [UN Protection Forces]. If it leaves, it is quite possible that conflicts will begin immediately at the local level in order to immediately take positions abandoned after the Zagreb agreement and in order to capture the dominant elevations on one's own and the opposite side. The second version is for war to break out immediately on a broad scale, which would better suit the Serbian side, because time is not on their side. Although inferior now, the coalition of Croats and Bosnian Muslims is nevertheless stronger, and a lengthy war of attrition would certainly not suit the Serbs. That is why it is not precluded that they would make the first move, and do so even while the UNPROFOR is still here, in order to anticipate the Croatian attack following the departure of the Blue Helmets. The attack is possible in eastern Slavonia, and wherever the Serbs have not completed their conquests (the area of Zadar and Sibenik, Sunj and Sisak, east of the Neretva, western Slavonia).

[Culic] Would they strike the cities again?

[Gorinsek] Certainly! Except that these attacks now would be far stronger, because air power would be used, and missile strikes would also be stronger. We can assume that aside from the Luna the Serbs also now have the new SS-21 missiles with a range of 120 km, which are modified air defense missiles, which by all appearances they have obtained from the Russians. These are inaccurate missiles, but when you fire on cities, everything is a hit. I think that Martic hinted something recently about those missiles, and that boasting undoubtedly has some coverage.

[Culic] We knew even before that a considerable portion of those missiles were deployed around Glina and Vrginmost and aimed at Zagreb. Does it have a defense against them?

[Gorinsek] Against the missiles, no, because for that they would have to have Patriots, which we lack, but an attempt could be made to neutralize those systems with air power and with surface-to-surface missiles, which the Croatian Army [HV], according to certain indications, now possesses. Here we should probably also anticipate certain U.S. aid in the form of information gathered by drones, which would be an anticipated return of the favor for Croatian permission to allow CIA planes to use the airfield on Brac. With respect to reconnaissance and data-gathering, the HV is now certainly in a far better situation than in the previous conflicts.

[Culic] Would that be enough to protect Zagreb?

[Gorinsek] No. The air defense of the capital has a definite solution only for aircraft, although even that would be very difficult in the case, say, of MiG-29's. Missile strikes could only be mitigated, not eliminated. But Zagreb would be fired upon only out of terrorist motives, which are always limited attacks. Other cities would fare far worse: Osijek, Vinkovci, Karlovac, Sibenik, Split, Zadar, and others, which would be fired upon both to destroy manpower and also to prevent that manpower from being transported to the battlefield.

[Culic] Is there any scenario in which the Croatian Army would succeed in neutralizing "Krajina"?

[Gorinsek] There is. We have just now been following one such attack "from the rear" in Livanjsko Polje. This is far "less expensive," because Croatian cities are not threatened, just as it is "more profitable" to wage war even in the Sava corridor than here at home. If you take that corridor, Knin will not be able to hold out very long, because it depends entirely on aid from Serbia. If the corridor is cut, of course, or Knin is directly threatened from Livanjsko Polje, a strong Serbian response should be expected.

The Price of a Plunge

[Culic] Is there anything else that can be resolved with a new large war?

[Gorinsek] There is no doubt that Milosevic and Karadzic will capitulate only if they are defeated militarily. But the question you put is complicated and it cannot be answered in just those terms. We should also bear in mind the casualties, and there is no doubt that Croatia would sustain large casualties in such a war. Croatia has its legitimate national interests and legitimate right to realize them, but it also has an obligation to assess what its prospects of success are in a war with one Serbian land, and what its prospects are in a war with all the "Serbian lands."

[Culic] Which means Croatia is not without prospects in the military option?

[Gorinsek] No, but it must be mindful of the price and it must enter upon that without a "plunge." Croatia cannot exist long in its present state, but neither can it allow itself a war longer than two months, nor can it win a war without a real alliance with the Bosnian Muslims. In addition, we probably would not get any aid at all from abroad, unless there are certain secret agreements we do not know about. One must be mindful of exactly what is being wagered. The leadership of our state is not concerning itself with this, and no one has said as yet what consequences await us if we reject the Z-4 plan. And it is very likely that the international community is preparing to impose its solution. There is a threatened spread of the conflagration of war, and it certainly will not allow that.

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[Culic] Croatia is vigorously rejecting demilitarization of "Krajina" as called for in the Z-4 plan, and only recently has it been responding in kind by demanding a demilitarization of the FRY. Is demilitarization actually unacceptable?

[Gorinsek] It can be accepted. The reference is to demilitarization of a relatively small area, which does not require surveillance of the border with Bosnia-Herzegovina, and this does not run counter to Croatian interests. Especially because the regime in them could certainly be altered so that limited movements of HV units would become possible in the future. In my opinion, Croatia ought not to reject the Z-4 plan as a whole, provided, of course, that the desire is really for peaceful reintegration, not a mindless war.

Government Report on Housing Evictions

95BA0187A Zagreb VJESNIK in Serbo-Croatian 14 Feb 95 p 1

[Article by Croatian News and Information Agency: "Everything According to Regulations"]

[FBIS Translated Text] Zagreb—The Government of the Republic of Croatia believes that the housing eviction proceedings have generally been based on regulations and that the competent state agencies (courts and administrative bodies) should be left to execute their decisions without hindrance. This assessment is contained in a letter in which the government is delivering to the House of Representatives of the Croatian parliament a report on the problems of administrative and judicial housing eviction proceedings that was drawn up by the Ministry of Land Use Planning, Construction, and Housing, the Ministry of Justice and Administration, the Ministry of National Defense, and the Solicitor General's Office.

According to the figures of the Ministry of Land Use Planning, Construction, and Housing, from 1 June 1990 to 30 September 1994 a total of 16,471 administrative eviction proceedings were instituted, 3,131 of which concerned housing owned by the Republic of Croatia, and 13,340 pertaining to other housing.

The Housing Commission of the Defense Ministry says in its report that that ministry took over administration of a total of 39,139 housing units. A review of the housing stock done last June showed that of the 6,544 units occupied without a valid decision, the tenants of 2,574 units qualified for the status of Croatian defender and met the criteria for allocation of housing for use. That criterion was not met in 2,462 units, but, on the contrary, conditions were met for eviction proceedings to be instituted on the basis of Article 94 of the Law on Housing Relations. In the other 1,508 units the tenants are members of the immediate household of the holder of the right of occupancy or relatives who may inherit the right of occupancy.

According to the report of the Housing Commission, eviction proceedings were instituted in 4,442 cases: 2,041 of them before administrative agencies and 2,401 before the regular courts. There have been 246 forcible evictions, and of the 131 eviction proceedings instituted since 8 June of last year, 66 have been carried out. According to figures of the ministry, 293 evictions were attempted but not executed, and eviction has not been attempted in 682 cases.

In its letter accompanying the report, the Croatian Government also refers to Article 94 of the law, which prescribes exclusive jurisdiction of state administrative agencies over eviction of persons who have moved into housing without a valid decision granting the unit for use or some other valid legal basis. It is recalled in this connection that the Constitutional Court has instituted proceedings to evaluate the constitutionality of that article and has expressed doubt that it violates the provisions of the Constitution.

The government explains that the Law on General Administrative Procedure is applied in proceedings before state agencies and that the Law on Administrative Disputes provides judicial oversight over the acts of state administrative agencies. Thus, an administrative dispute may be instituted against decisions made on the basis of Article 94 of the Law on Housing Relations, thereby providing the constitutionally guaranteed judicial oversight of the legality of individual acts of administrative agencies and bodies exercising public authority.

Data on Social-Welfare Policy, Recipients

95BA0187B Zagreb VJESNIK in Serbo-Croatian 17 Feb 95 p 5

[Article by Sandra Kukic: "Social Welfare for 400,000 People"]

[FBIS Translated Text] There are more than 400,000 current beneficiaries of various forms of social welfare in Croatia. That is, although welfare cards (241,184 household members) are the best indicator, there are many more in need of social welfare, because certain forms of social welfare go even to those who do not have welfare cards. Adding to those with welfare cards persons housed in welfare institutions (which represents a large expense), then, and also those receiving assistance from various secular or religious humanitarian organizations (in addition to the largest ones—the Red Cross and Caritas—there are some 200 distributing humanitarian aid), and then about 105,000 elementary school pupils who last year received free schoolbooks (no fewer than 94,000 of them do not come from families with a welfare card)... we arrive at the figure mentioned of more than 400,000 current beneficiaries of some form of social welfare.

We learned of this in a conversation concerning the current situation and indicators of the use of social welfare with Zivko Jurcevic, who heads the Department of Statistics, Analysis, and Planning of the Ministry of Labor and Social Welfare. According to that ministry's figures collected from social welfare centers, as of 31

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January 113,058 needy households with 241,184 members, that is, 5.4 percent of the population of Croatia, were using welfare cards.

Jurcevic said that these figures pertain to the cards in use, that is, this number does not include cards issued earlier (since April 1993, because the social welfare program began in March 1993), as they have been indicated up to now. That is, this is the real situation, those who have and take advantage of the right, and it does not include those who have died or moved away, those whose situation has improved, nor those who did not have their card certified a single time last year.

More Help

The number of the needy is not increasing, Jurcevic said, explaining that since introduction of the social welfare program the number of beneficiaries has quadrupled, but after that there has been no further increase in the number of beneficiaries. That is, the number has even been dropping in relative terms since adoption of the program. Sixty percent of the present recipients were not beneficiaries of social welfare before they received their welfare cards, and Jurcevic explains that this way: "They were needy even before, but the aid has increased with the new measures and the new program, and new forms of assistance have been introduced."

The purpose of the welfare card is actually to keep records on the distribution of aid, to verify, and to prevent unjustified use; it is an instrument for record-keeping and proper distribution, Jurcevic emphasized. The criterion for obtaining the card is income 30 to 60 percent higher than the minimum assumption for the household (702 kunas); however, this is only one of the criteria: The overall social welfare situation is essential (age, children, state of health, housing situation... are all taken into account).

Who are the holders of welfare cards? The most recent figures indicate that most are able-bodied unemployed persons (31,688), then come various beneficiaries, most of whom are unable to work (26,272), and then employed persons (18,117), pensioners with the protective supplement (18,472), pensioners without the protective supplement (12,328), and farmers (6,174).

How Much to Whom?

The compensation for the welfare minimum is the form of social welfare with the largest number of beneficiaries (31,419 as of the end of January). For a single person it amounts to 90 percent of the minimum wage (260 kunas used as the basis for social assistance), which makes 234 kunas for January, and for a four-member family, say, it is 270 percent, which makes 702 kunas, and then 78 kunas for each additional member. Since the social welfare program was introduced, those amounts have increased by an average of 100 percent, 15 percent in the course of last year.

It is also interesting to see the size of the social welfare expenditure, that is, the annual amount of funds spent for it. In 1992, 112 million German marks [DM] were spent, in 1993 DM150 million, in 1994 about DM180 million (still an estimate), and DM215 million have been appropriated for 1985.

Jurcevic says in answer to the frequent criticism that social welfare benefits are low that people should be mindful that the most recent average salary was nevertheless only 1,380 kunas. "The social welfare program is not passive; it is active, and its objective is to put people to work and reduce the number of the needy. After all, the best social welfare policy is a good economic policy with emphasis on growth of economic activity, but naturally also a readiness to activate certain segments of the social welfare program when necessary," Zivko Jurcevic said.

[Box, p 5]

Cards for 11.8 Percent of the Population

In the ministry they have also processed the data by zupanijas, and the distribution of welfare card users by zupanijas confirms that most of those with welfare cards, that is, most of the needy, and therefore also the greatest need for intervention and assistance, are in areas where the consequences of the war have been greatest:

In Sibenik Zupanija no less than 11.8 percent of the population have welfare cards; in the Brod-Sava Zupanija 8.3 percent, in Vukovar-Srijem 7.3 percent, in Split-Dalmatia Zupanija 7.2 percent, in Zadar-Knin 7.1 percent, in Dubrovnik-Neretva 6.0 percent, in Primorsko-Goranska Zupanija 6.8 percent, in Zagreb 5.8 percent.... The zupanija with the lowest number is Krapina-Zagorje with 2.5 percent of the population.

[Box, p 5]

More and More Help Paying Bills

In addition to the regular forms of social welfare, there are also some supplemental forms established by the social welfare program. This January 7,812 lump-sum money payments were distributed to pay bills to public utilities (this type of assistance is on the rise) and 1,512 grants of assistance to purchase firewood.

For the neediest there are also 16 soup kitchens, and last year 659,680 food packages were also distributed with a value of about DM33 million, or 118 million kunas.

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Skopje to Athens: Lift Embargo or No Talks

AU2003173595 Paris AFP in English 1705 GMT 20 Mar 95

[FBIS Transcribed Text] Skopje, March 20 (AFP)—Macedonia [The Former Yugoslav Republic of Macedonia—FYROM] said Monday [20 March] it would not hold direct talks with Greece for as long as Athens does not lift a trade embargo imposed on the former Yugoslav republic. "Macedonia will not accept the embargo being maintained during the negotiations," said a Foreign Ministry statement.

The statement was issued after Greek Foreign Minister Carolos Papoulias said Sunday that senior Greek and Macedonian officials, probably foreign ministers, would meet at UN headquarters in New York in April under the aegis of UN mediator Cyrus Vance. Papoulias said that Greece would not lift the trade ban before the end of the talks.

Athens imposed the embargo in February last year after accusing Macedonia of territorial ambitions over the Greek province of the same name and says Skopje must change the country's name and do away with all references to the Macedonian historic heritage. Macedonia is a member of the United Nations under the name [The] Former Yugoslav Republic of Macedonia.

Progress in Privatization Process Reported

95BA0084A Skopje NOVA MAKEDONIJA in Macedonian 22 Dec 94 p 3

[Article by V. Cvetkovska: "More Than 100 Privatizations by the End of 1994"]

[FBIS Translated Text] *The highest number of privatizations is expected in small enterprises. However, we should not neglect any interest and initiative involving larger enterprises. Public organizations account for the greatest manpower and working assets, and, based on total income, privatized enterprises are the most efficient.*

How many enterprises have been the targets of conversion so far; how many of them are public, how many of them are mixed or privately owned, what is the number of employees they account for, what was their overall income, what is their economic power, and how many of them were subjects of privatization?

Although the end results have as yet to be announced, in its recent statement in its promotional campaign, the Privatization Agency has presented all the results known so far relative to the application of the Law on the Conversion of Public Capital. According to the indicators presented by Privatization Agency Director Olgica Mihajlova Tikvarovska, so far the conversion targets in the state have totaled 1,517 enterprises. Of these, 711 are 100-percent based on public capital; 612 involve the participation of joint-stock capital of less than 50 percent, and 194 enterprises have joint-stock capital in excess of 50 percent of the total enterprise capitalization.

In terms of percentages, 46.87 percent of the enterprises subject to transformation are based on public capital; 40.43 have joint-stock capital under one-half of the total (50 percent) of the total capital, and 12.79 percent have joint-stock capital in excess of 50 percent. In terms of number of employees, enterprises based on public capital account for 44.94 percent; enterprises with joint-stock capital under 50 percent account for 29.42 percent, and those in which joint-stock capital exceeds 50 percent, for 25.64 percent of employees. According to these indicators, it is evident that the largest number of employees are employed by enterprises that have as yet to undertake the process of transformation or privatization.

Enterprises Subject to Conversion

	Small	Medium	Large	Total
With public capital	533	143	35	711
With public capital under 50%	463	109	40	612
With public capital over 50%	81	73	40	194

According to the results of the conversion in terms of overall enterprise income, the most efficient are enterprises in which joint-stock capital, compared to private capital, prevails (or else enterprises in which joint-stock capital in excess of 50 percent account for 38.81 percent of the total enterprise income). Enterprises with less than 50 percent private-joint-stock capital account for 30.98 percent; the least efficient are public enterprises, which account for 30.21 percent of the total income. This is the key argument for privatization cited by those who are in charge of this process. From the viewpoint of working capital, or the concentration of economic power, however, we can see that this too is the highest in public enterprises with 35.35 percent, due to simple reasons, such as the fact that they account for the highest industrial capacity. Very close in terms of economic power are enterprises in which the joint-stock capital is under 50 percent and in which the working capital accounts for 35.24 percent, compared to those with dominant joint-stock capital of 29.41 percent. According to Director Tikvarovska, in this case substantial structural changes are expected this year, in addition to joint-stock capital enterprises.

If we sum up the results of privatization so far, according to Privatization Agency data, initial privatization results have been submitted by 410 enterprises. The Public Income Administration has checked (based on the Ante Markovitj laws) the completed conversions in 216 enterprises, about which the agency issued 190 resolutions. So far, 112 privatization reports have been received. The agency has accepted 54 privatizations. The Government Privatization Commission has expressed its views on the successful conversion of 13 small, medium, and large enterprises.

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Of particularly great public interest is the extent to which privatization has occurred in the largest enterprises (those with the longest—two year—deadline for undertaking the conversion), which have expressed the greatest interest in it. We know that of 115 large enterprises that have entered this stage of privatization, 86 have already appointed conversion teams; they are already seriously working on their ownership conversion and it is expected that they will be privatized soon. Although so far only three large enterprises—Oteks, Solun, and Tutun—are considered to have successfully completed privatization, their number is expected to increase in the immediate future.

The following results have been noted in the plan for 100 small privatizations after the deadline for undertaking the conversion of small and medium enterprises—12 December—elapsed: The agency resolved to finance 113 percent of the value of the capital of the small enterprises with a view to hastening their conversion; 94 conversion programs have already been received and it is estimated that by 1 January the agency will issue its views on 101 small enterprises with completed conversion, thus implementing the planned number of 100 small privatizations.

Ethnic Conflicts Continue in Country

95BA0188D Belgrade VECERNJE NOVOSTI in Serbo-Croatian 22 Feb 95 p 8

[Article by Svetozar Djonovic: "Macedonia in the Eagle's Shadow"]

[FBIS Translated Text] For all those quite familiar with Macedonian [The Former Yugoslav Republic of Macedonia—FYROM] affairs, what has been happening these days concerning the opening of the underground "Albanian university" in Tetovo is not really anything unfamiliar. This was a well-prepared and well-organized scenario based on time-tested activity in the FRY [Federal Republic of Yugoslavia], in Kosovo and Metohija.

The revival was splendid.

It was a game between the official FYROM authorities, which are thoroughly convinced that radicalization and "Kosovization" cannot occur, and the Skipetar nationalists, who once again are not giving up in the least on their demands and the goals they have set.

Both sides had their arguments in this game.

The official Macedonian authorities, and most of the population of this state of 2 million, take as their point of departure the fact that Macedonians make up more than 63 percent of the population. According to the last official population census, the Skipetars represent about 23 percent. The rest are Turks, Gypsies, Vlachs, Jews, and Serbs.

The Serbian minority is the only one that is not noted in the present Constitution, but is registered as "citizens of Macedonia." The other minorities mentioned, including the Skipetars, are a constitutional category of citizens. So, because according to its official Constitution Macedonia is a state of all the citizens, they all have the same civil rights. The official language is Macedonian.

The Skipetar Demands

And this is where what, at least for the moment, the main disagreement between the Macedonian authorities and the Macedonian Skipetars begins. The latter have been demanding more than what they have under the law and the Constitution, and what they have is elementary and secondary education, a group for Albanology at Skopje University, and a department in the Teachers Junior College for training Albanian-language teachers. Now they are also demanding the opening of their own "Albanian university" in Tetovo.

Why in Tetovo in particular?

Because that city is the center of western Macedonia. Along with Gostivar, Struga, and Bitolj, this is an economically very rich part of Macedonia, and its population is also predominantly Skipetar. And, of course, the Skipetar political option of perhaps getting in Macedonia what for the present they have been unable to get in Kosovo and Metohija has made them decide to open their own "university" there. After the university, there would be other demands: an academy of sciences, recognition of a binational state, autonomy, and so on and so forth. All following a scenario that has been tested already.

Of course, that kind of option cannot get through in Macedonia, at least not for the present. After all, if Lenin's thesis that two young nationalisms cannot live at the same time in the same place has been borne out anywhere in the world, then that is the case here.

The young Macedonian state, finding itself in the windswept Balkans, wants at any price to preserve its identity as a state, and to be, as all its officials say, a country with open borders. With the help and suggestions from various powerful international factors, it has already opened up its borders quite a bit to Albania and Bulgaria.

Both Sides on the Log Bridge

Perhaps it is that rapid opening up toward Albania that is today giving particular trouble to the official FYROM authorities. With ramified propaganda from the media, the top officials of neighboring Albania, with President Berisha in the lead, gave open support to the opening of "Tetovo University," and then, accompanied by fierce condemnations, they opened fire on the reactions of the police in the well-known events concerning the beginning of classes, which is when the first person was killed and some 30 were injured, although no one knows the precise number, and this has caused a cooling off of relations.

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Now, the Albanian neighbor is being charged from the most official Macedonian centers of power with fueling the flames of radicalization of the Skipetar national question in Macedonia. And the influence of the Albanian neighbor on all these events is not by all appearances so small and is not to be underestimated.

Thus, the shadow of the Albanian eagle has come to hover over the lands of FYROM.

Although in Tetovo and environs the situation is calmer at the moment, fewer police are seen in the streets, and there are fewer protests and gatherings, the question is how long that will last and what direction it will take in the future.

At the moment, "Rector" Fadil Sulejmani is in jail with four of his closest associates. Certain leaders of Albanian political parties are announcing the possibility of leaving the parliament. Others, again, are advocating a bit more soberly a "peaceful atmosphere so that problems can be resolved without ultimatums." "What is needed," says Abdurahman Aliti, president of the Party for Democratic Prosperity, the most influential Skipetar party in Macedonia, "is good will in order to get out of the situation that has come about and to prevent any new undesirable consequences."

All the Skipetar leaders are agreed on one thing: "Instruction at Tetovo University should continue."

The Macedonian Government is resolute for the present: "The classes are illegal, the 'university' is illegal. There will not be any classes!"

[Box, p 8]

The Investigation of the "Rector"

Boris Milosavlevski, public prosecutor of Tetovo Opstina, has filed a criminal indictment against "Rector" Fadil Sulejmani and his close associates Miljain Fejzi, Kemal Sabanac, Arben Rusi, and Arben Muterzani.

They have already been taken into custody for one week. According to the prosecutor, in the case of Sulejmani and Miljain Fejzi there is "warranted suspicion" that the two of them committed the crime of "calling for resistance," which under the laws here is punishable with not less than one and not more than five years of imprisonment.

The opstina misdemeanor judge has given 30-day jail sentences to seven participants in the demonstrations in Mala Recica near Tetovo.

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Federal

Jovanovic: Sanction Effects on European Economies

LD2003142195 Belgrade TANJUG in English 1210 GMT 20 Mar 95

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, March 20 (TANJUG)—Yugoslav Assistant Foreign Minister Zivadin Jovanovic said sanctions against Federal Republic of Yugoslavia have cost the economies of southeastern Europe at least 90 billion dollars.

In an interview with the Belgrade daily POLITIKA EKSPRES Monday, Jovanovic said the Balkan countries, without blame, suffered the most from the nearly three-year sanctions, and thus paid the price of someone else's wrong policy. Yugoslavia suffered at least 45 billion dollars in damage by August last year alone due to the economic blockade introduced late in May 1992. Jovanovic said that apart from the Balkan countries, Russia, the Mediterranean countries and a number of African countries, including Zimbabwe, Kenya, Guinea and Zaire are increasingly engaged on having the sanctions lifted and trade links restored.

Jovanovic has recently visited France, Belgium, the seat of the European Union in Brussels, Spain and Great Britain where he became convinced that the European business world was interested in definite lifting of sanctions against Yugoslavia. Jovanovic illustrated this by saying that in many European countries business lobbies have been formed which increasingly openly exerted pressure on the government structures to have the embargo against Yugoslavia lifted and economic cooperation renewed. He said that his European guests had pointed out a positive evolution in certain stands of the United States which in principle accepts the idea of lifting the sanctions against Yugoslavia.

Business Campaign for Lifting Economic Blockade

LD2003142795 Belgrade TANJUG in English 1315 GMT 20 Mar 95

["Ecopool" item]

[FBIS Transcribed Text] Belgrade, March 20 (TANJUG)—Yugoslav managers are preparing a big information campaign to which they will invite all major world businessmen to join the requests to lift the nearly three-year total economic blockade of Yugoslavia.

The Yugoslav Managers' Association, in collaboration with the most prominent Yugoslav businessmen, will early in April submit to major world companies and associations a report with data on the consequences of the blockade on the Yugoslav and world economy. It is envisaged that a copy of the report be sent to the U.N. Security Council and U.N. sanctions committee, as well as a copy each to managers' associations, chambers of commerce, prominent economists and former Yugoslav business partners abroad.

Yugoslav managers were counting on the support of businessmen from Russia and the Balkan countries as their economies have been affected most by the economic blockade against Yugoslavia. It is estimated that sanctions against Yugoslavia have cost the economies of southeastern Europe at least 90 billion dollars.

Yugoslav managers' lobby in Germany has already launched an initiative with German businessmen to resume economic cooperation with Yugoslavia after the lifting of the sanctions. German businessmen are especially interested in business links the Yugoslav managers have with the Russian businessmen.

Serbia

Milosevic, Stoltenberg Discuss UN Peacekeeping

LD2003155395 Belgrade TANJUG Domestic Service in Serbo-Croatian 1454 GMT 20 Mar 95

[FBIS Translated Text] Belgrade, 20 Mar (TANJUG)—Serbian President Slobodan Milosevic today received Thorvald Stoltenberg, the UN secretary general's special envoy and cochairman of the international conference on former Yugoslavia, and associates who arrived in Belgrade earlier today, the president's office has announced.

"The talks focused on the issue of the further role and responsibility of the United Nations in keeping peace and enabling the peace process to follow a successful course," the statement says.

The two sides emphasized the great importance of continuing the negotiating process between Knin and Zagreb, in which UN peace forces play an indispensable role. "With regard to the implementation of the UN mandate, President Milosevic told Thorvald Stoltenberg that the Vance plan, in our view, was the most important and best international document adopted in connection with the Yugoslav crisis so far, as it not only resulted in the cessation of hostilities, but also enabled the peace process between Knin and Zagreb to develop successfully: It facilitated the agreement on the cessation of all hostilities on 29 March 1994 and the agreement on the normalization of economic relations on 2 December," the statement says.

According to President Milosevic, talks on remaining agreements from the economic package ought to be continued and completed in the same vein, and conditions created for talks on reaching a political solution between Knin and Zagreb, the statement says.

President Milosevic pointed out that since the Vance Plan came into effect, and according to an agreement reached at the time, our country is not a party to the

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negotiating process, because all issues exclusively concern Zagreb-Knin negotiations. However, even though it is not a party to these negotiations, our country supports and helps the negotiating process and is doing this today by making it possible for Stoltenberg and his aides to meet [Krajina] President Martic and his aides in Belgrade, the statement says. President Milosevic described this meeting as a positive step directed at achieving evenhanded relations with the warring sides, which is also crucial for the success of the UN peacekeeping mission.

"If the United Nations wants to oversee the cease-fire agreement between Knin and Zagreb, which is of great importance for preserving peace, they should consult both Knin and Zagreb on their role in connection with a Knin-Zagreb bilateral agreement," the statement says. "Therefore, President Milosevic pointed out that the United Nations will reaffirm its peacekeeping role only by an objective and unbiased attitude to the parties between which they are mediating. He said that our country will continue to contribute to the success of the peace process in the future with its policy of peace," the office of the president of Serbia said.

According to the statement, the talks were also attended by Yugoslav Foreign Minister Vladislav Jovanovic.

DSBJ Leader Details Human Rights Violations

AU2103081695 Sofia STANDART NEWS in Bulgarian 17 Mar 95 p 9

[Interview with DSBJ Chairman Marko Shukarev by Lyubcho Neshkov; place and date not given: "In 10 Years' Time Not a Single Bulgarian Will Be Left in the Western Outlands"]

[FBIS Translated Text] [Neshkov] Mr. Shukarev, what is your view of the Balkan federation idea that President Milosevic's wife has put forward?

[Shukarev] This is merely dictated by the politics of the day. The moment the embargo is lifted, the Serbs will forget all about the Slavs and the Orthodox Church. These are merely fairy tales for children, because history has proved the Serbs' dishonorable intentions on numerous occasions. In Serbia it is constantly said that the Bulgarians are the biggest villains in the world. There, it is forbidden to read Bulgarian newspapers, books, or journals. They have made us feel ashamed of being Bulgarians and have placed us lower than the Gypsies.

[Neshkov] People constantly say in Serbia that the Democratic Alliance of Bulgarians in Yugoslavia [DSBJ] is a small party. They want to ban your party.

[Shukarev] This is the paradox. If we are a small party, why do they fear us and want to ban us? The truth is that the DSBJ is the only party in Yugoslavia that fights to preserve Bulgarian culture and ideas there and this is what the Serbs are most afraid of, because the truth is the most painful thing and it is shocking as well. According to their statistics, of the 120,000-strong Bulgarian population that existed in 1919, when we were handed over to the Kingdom of Serbs, Croats, and Slovenes, there are now only 25,000 of us! Where have the Bulgarians disappeared to? (In 1929 the Kingdom was renamed Yugoslavia—editor's note)

[Neshkov] Is there any discrimination and where in general can the Bulgarians in the western outlands find work?

[Shukarev] Those of them who suffer from Serbomania can work anywhere—we have even had people in the Central Committee of the League of Communists of Yugoslavia. In other cases, where people have a Bulgarian sense of identity, they cannot work anywhere. For a Bulgarian to succeed in Serbia, it is not enough for him to write that he is a Serb or has pro-Serbian views; he simply has to be anti-Bulgarian in his views, otherwise....

[Neshkov] Has the Bulgarians' position improved following the visit by the OSCE delegation?

[Shukarev] Following the visit of the OSCE delegation to Tsaribrod [Bosilegrad], the repressions have increased, especially in relation to DSBJ members, against whom Serbian television, radio, and the press have begun to launch attacks of a kind that not even Goebbels might have devised. They constantly blacken our name, making us out to be fascists, chauvinists, Serbophobes, Bulgarophiles, and heaven knows what. These attacks do not cease, but we will not give in.

[Neshkov] Do you receive any threats?

[Shukarev] I receive anonymous threats on the telephone. Several times people have telephoned to tell me that I should leave Yugoslavia, or else I will be killed. These people are from the Serbian State Security (UDB) or Bulgarian turncoats. They have even threatened me personally in front of witnesses, but I am not afraid. They confiscate our passports. We do not want to be second-class people any more. The Serb is always right, while our Bulgarian compatriot is submissive, silent, and frightened. For more than seven years he has been maltreated and subjected to psychological torture. This is a terrible thing, and not everyone can stand it.

[Neshkov] What is the position at the moment concerning Bulgarian schools and churches?

[Shukarev] The Bulgarian language is taught as a foreign language for only two hours a week. All other subjects are taught in Serbian. Our language has been excluded from use everywhere: in the administration and the shops. Bulgarians deliberately avoid speaking their own language, so as to avoid repressions.

As for religion, in the western outlands all the churches are ruined. We are under the jurisdiction of the Serbian Orthodox Church. Services are held only in Serbian and there is not a single Bulgarian priest. Now the Bulgarians

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in one of the villages near Tsaribrod are building a church, but the Serbian bishop has refused to attend the ceremony to consecrate the foundations. Thanks to the church, we survived 500 years of Turkish slavery, yet the Serbs have obliterated us in 75 years. Unfortunately, the Bulgarian Church does nothing for us.

[Neshkov] Do the Serbs now want friendship with Bulgaria?

[Shukarev] I think that I have already told you about this. This is the case only at the moment, because Serbia is in isolation. They are seeking a solution everywhere, but tomorrow they will forget everything. Now they are even forming an alliance with Russia, yet only yesterday they were spitting at Russia. However, inside the country they have not changed their methods. Take our students who study in Bulgaria, for example. They will continue to recruit them as agents and invite them for "chats" when they come home. There are many more Albanians and Hungarians living in Serbia than Bulgarians, but the authorities do not treat them in the same way. This is probably because their native countries do not allow them to do so. Bulgaria has indeed done a fair amount for us during the last four or five years, but it is still far less than we need and far less that the other countries are doing for their compatriots abroad.

[Neshkov] Very well, what are your general feelings now?

[Shukarev] In Serbia they call us Bulgarians, while in Bulgaria they call us Serbs. We have been paying for someone else's sins for 75 years now. I understand the mistakes made during the Balkan War, but that war was followed by World Wars I and II, yet everything continues as before. Now is the moment for the Bulgarian state to intervene and defend us. If the statistical, cultural, and linguistic genocide continues, in 10 years time there will be no Bulgarians left in these Bulgarian lands, only Serbian peasants, rustics, Yugoslavs, ...and God knows who else.

Information 'Embargo' on Hepatitis Epidemic

AU2003173895 Belgrade NASA BORBA in Serbo-Croatian 17 Mar 95 p 10

[Letter from Albin Gegic, president of the "Merhamet-Sandzak" Municipal Council in Tutin, to NASA BORBA; date of letter not given]

[FBIS Translated Text] An epidemic of infectious hepatitis has been raging for several months and threatens to have catastrophic consequences. Over 300 cases of this infectious disease have been registered so far.

The broader public knows almost nothing of this, because the representatives of the ruling regime have imposed a strict embargo on all information. One of the specialists in the Tutin Medical Center has asked the representatives of the authorities to close two primary schools in Tutin for a period of 10 days, so that the school premises can be disinfected, but the authorities rejected the request.

The most threatened part of the population are children of preschool age, as well as children in grade school, although a significant number of infected individuals are older. Moreover, there is a great number of families whose every member has been infected. The ward for infectious diseases of the Novi Pazar Medical Center is becoming too small for all the cases, so that (according to information at our disposal) patients are now being sent to Kraljevo.

We appeal to your paper (which is surely the most objective in Serbia) to publish this information so that something will be done to stop the infectious disease. The fact that the victims of the epidemic are mainly children makes it imperative to do so.

[Signed] Albin Gegic, president of the "Merhamet-Sandzak" Municipal Council.

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